



# **ORGANISATIONAL BEHAVIOUR TEXT AND CASES**

**UMA SEKARAN**



21











**ORGANISATIONAL BEHAVIOUR**  
**Text and Cases**



THE ANTIQUARIAN SOCIETY  
1871 and 1872



# ORGANISATIONAL BEHAVIOUR

## Text and Cases

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*To  
My Husband, A.R.C. Sekaran,  
Sister, K. Janaki  
and My Three Brothers, Narayanan, Krish and Mani  
With Love*





# Foreword

The task of writing a Foreword to a scholarly work is as challenging as the work of writing a book, particularly when the author is known for her rigorous research and has made her mark in the American Business Schools.

Professor Uma Sekaran has done well to focus attention on the Indian setting as there is a dearth of books on management for developing countries. The Western theories are increasingly being questioned regarding their relevance and applicability in the Indian management science. With her blend of expertise in the academic discipline and her practical work experience in India, Prof. Sekaran is well equipped to write this book on organisational behaviour for the Indian setting. The focus is on managers in India and in Asian countries and what they can do to motivate employees to achieve higher levels of performance and greater productivity, given the unique cultural values of the different settings.

The book departs from other recent works so far as the suggestions regarding motivation targets, reward system and leadership styles are based on Indian cultural predispositions and are not copied from Western theories and practices.

Due to the lack of sound management books at the graduate and postgraduate levels, this book would fill an important void. With the emphasis on HRD, Indian and Asian firms would also benefit from the usage of this book in the development of their training programmes.

I am confident that the book will be well received and made use of.

DENNYSON F. PEREIRA  
*Joint General Manager (HRD)*  
*Larsen & Toubro Ltd*  
*Bombay*





# Preface

*Organisational Behaviour: Text and Cases*, as the title suggests, discusses organisational behaviour theories in the Indian context.

This book was conceived when I was teaching at the Indian Institute of Technology, Madras during my sabbatical in 1983. I was rather frustrated because I could not find a textbook on organisational behaviour which was specifically written for the Indian setting incorporating the latest knowledge about what we know of human behaviour in organisational systems. I decided to take up the challenge of blending the most up-to-date research findings in organisational studies with the reality of the Indian cultural values and management styles. Fortunately, I have a fairly intimate knowledge of Indian work values and management styles having worked in the Reserve Bank of India for nearly two decades and having closely interacted with several organisations during the course of my professional career as a banker and a research scholar. This first-hand practical knowledge of Indian systems together with my research orientation and involvement in the study of organisational behaviour both in India and the U.S.A. have helped me to conceptualize and formulate some realistic and effective management practices for Indian work organisations. I believe that the process of writing a scholarly, research-based, culturally attuned and practically oriented book, which I have started will, no doubt, be refined and improved upon by me and others in the future. Tata McGraw-Hill should be applauded for pioneering this much-needed effort since we can easily fall prey to blindly adopting wholly Western-based theories and textbooks in our classrooms, professional training programmes, and even in trying to unsuccessfully practise some of the Western-based conceptual frameworks. On the other hand, we sometimes also tend to summarily dismiss everything that is Western, thus, making gross errors in judgement. A textbook blending sound scientific theories, cultural values and practical orientation has long been overdue.

Every action of a manager elicits a reaction or response from the members of the system whose outputs he is responsible for. It is no exaggeration, then, to state that a system can be no better nor any worse than the manager in charge, i.e. the cues sent by the manager determine the outcome. That is what this book is all about. The act of "managing" involves a whole range of activities both within and outside the organisation. A manager not only engages in a set of deliberately planned physical activities but also "manages" the perceptions of employees so that their attitudes and behaviours are conducive to the organisation's success. To be an effective manager calls for training in building managerial skills, developing sensitivity to the needs and potential development of employees, being constantly attuned to the internal and external environment of the system, being on top of things and one step ahead of where one is expected to be, and above all be knowledgeable about the whole spectrum of organisational behaviour — from the micro-aspects of understanding one's self and of dealing with people, to the macro-aspects of scanning the external environment of the organisation and handling unforeseen changes. This book covers all these aspects. The exercises and case studies at the end of the chapters are particularly designed to develop an understanding of problem-solving techniques tailored to the Indian cultural setting.

While most textbooks are written for the students within the classroom setting, this book attempts to be interactive with the practising manager as well. Textbooks on organisational behaviour are usually written under the mistaken assumption that organisations are "rational" systems. However, quite often, especially under conditions of stresses and strains, organisations and their members simply do NOT behave in a rational manner. Thus, organisation theories do not always offer the manager the exact solutions that can be implemented successfully at all times. This book helps the manager to sort out some of the intricate dynamics in complex situations and provides insights with which the individual can combine several strategies and



tackle difficult situations. Thus, this book aids the manager to think both divergently and convergently which, together with the individual's own skills, insights, and experience, would make the person even more successful in the managerial job.

The chapters in the book have been carefully chosen to enhance knowledge about the science and art of management. In today's organisations, professional management calls for at least some surface knowledge about research on organisational behaviour so that the manager can intelligently assimilate what he or she reads in professional journals. This book has a chapter on understanding organisational behaviour through research. The micro, individual dimensions of organisational behaviour encompassing personality predispositions, perceptions, motivation and stress management are covered in Part Two of the book. Part Three deals with interpersonal and group dynamics while Part Four covers the managerial processes of leadership and conflict management. Job design and macro-aspects of the organisation including structure, size, technology and environment are covered in Part Five while Part Six deals with organisation design, development and change. Finally, Part Seven ties together the contents of the entire book and discusses managerial effectiveness and how to attain it.

I hope this book is useful to students, teachers and practising managers and generates interest in the development of scientific organisation theories suited to the Indian context.

## Acknowledgement

I continue to benefit from the insights I gather from my students in the classroom semester after semester. My half year at IIT Madras where I interacted very closely with my students helped me realise the problems that these intellectually sophisticated individuals are likely to face as contributing members of any organisation in the future. This book has been shaped, at least partly, by their concerns and the empathy I felt for them. I still keep in touch with many of these students and to them, my heartfelt thanks.

My work experience in both the Indian and American cultures has helped me tremendously to process the cultural components that should be taken into consideration while writing a textbook such as this. My gratitude to my colleagues who contributed to my insights. Finally, my sincere thanks to Tata McGraw-Hill for their help and cooperation.

UMA SEKARAN



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THE FIRST STRUCTURAL DIMENSION IN ORGANIZATION  
AND THE ASSOCIATED DESIGN

1. Job Design

The first structural dimension in organization is the design of the job. This dimension is concerned with the nature of the work itself, the degree of responsibility, and the degree of autonomy.

Job design is a process of creating a job that is motivating and meaningful. It involves the assignment of tasks, the determination of the sequence of tasks, and the determination of the degree of responsibility and autonomy. Job design is a process that is influenced by a number of factors, including the nature of the work, the degree of responsibility, and the degree of autonomy.

2. The Organization's Development and Change

The organization's development and change is a process that is influenced by a number of factors, including the nature of the work, the degree of responsibility, and the degree of autonomy. The organization's development and change is a process that is influenced by a number of factors, including the nature of the work, the degree of responsibility, and the degree of autonomy.

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**PART ONE**

# **Introduction to and Research in Organisational Behaviour**

PART ONE

Introduction to and  
Research in  
Organisational Behaviour



# 1

## Organisation, Management and Organisational Behaviour

The terms 'organisation' and 'management' are used everyday in different contexts to mean different things. For instance, we hear people say, "This organisation is full of red tape"; "His organisation skills leave much to be desired"; "Management should be careful about how it treats employees"; and "His management style is totally ineffective". We see that the words 'organisation' and 'management' are used to connote different meanings depending on the context in which they are used, i.e., the word organisation could refer to an institutional system or to the way in which tasks or activities to be done are arranged and intended to be executed. The term management could likewise refer to a class of people in the organisation who are assigned the task of getting the job done through others or it could refer to one's way or style or the very process of getting the job done. The term "organisational behaviour" is rather vague for the layperson. Let us examine these terms more closely.

An *organisation* can be explained as a system with a purpose or a goal which has to be accomplished with the help of individuals who are operating in several subdivisions of the system and all of whom contribute to the main goal in some way or the other. In effect, we can define an organisation as a purposeful system with several subsystems where individuals and activities are organised to achieve certain pre-determined goals through division of labour and coordination of activities. Division of labour refers to how the work is divided among the employees and coordination refers to how all the various activities performed by the individuals are integrated or brought together to accomplish the goals of the organisation. The term *organising* is used to denote one aspect of the manager's activities when he or she is preparing and scheduling the different tasks that need to be completed for the job to be done. Thus, organisation could also refer to one of the activities performed by the manager.

*Management* refers to the functional process of accomplishing the goals of the organisation through the help of others. If division of labour and coordination of activities are necessary to attain the organisation's goals, then some individual or a group of individuals have to determine not only what the goals of the organisation ought to be, but also ensure that these goals are achieved by effectively utilising the services of others. Thus, management becomes a process by which the goals of the organisation are attained by directing the efforts of others in the system. A *manager*, then, is an individual who is given the responsibility for achieving the goals assigned to him or her as part of the overall goals of the organisation and who is expected to get the job done. The terms top management, or lower level management are frequently used to indicate the hierarchical levels of those who are engaged in the process of getting the goals of the organisation accomplished.

*Organisational behaviour* is the term used to describe the actions and reactions of individuals, dyads, and groups in the system as they interact with each other in the course of their working day. Departments and subsystems within the organisation consist of individuals who respond to the stimuli that they are being exposed to as a group. We refer to this collective response also as organisational behaviour. A good



understanding of organisational behaviour helps managers and employees to comprehend the ongoing dynamics of the various components which enhance or detract the organisation from achieving its goals. Whereas a system by itself is a lifeless entity that cannot act, the human actors within the system in their collective capacity, energise and make the system "behave" in certain ways. Thus, when the director says that the design department is uncooperative, what he or she means is that the significant people in the department whose help is solicited are not behaving in ways to enhance the effectiveness with which the director would desire the goals to be achieved.

In our study of organisational behaviour in this book, we will examine the behaviours of individuals and groups, and various subsystems within the organisation. In the process of examining this, we will discuss such aspects as personality, motivation, leadership, and conflict management which influence individual and group behaviours. We will also understand other factors within the internal environment of the organisation (such as jobs and technology), as well as the forces in the external environment of the organisation which play a part in influencing structures of organisations and the emergence of behaviours within the organisational system.

## Organisational Components that Need to be Managed

We had earlier described an organisation as a system which has defined purposes and goals with several components that have to be managed. We can, for the sake of convenience, categorise the factors that need to be paid attention to, or managed, under five primary broad areas — people, jobs and tasks, the technology used, the structural aspects of the system, and the processes used for bringing about the desired results. In addition, several changes taking place outside the organisation, that is, the external environment, have to be closely watched in order to steer the organisation effectively. The term *effectiveness* simply refers to successfully achieving the goals of the organisation. In addition to effectiveness, organisations also aim for efficiency. *Efficiency* refers to minimising the costs while performing the job. Thus, if two employees produce 10 and 16 units of a product of the same quality in an hour, the latter would be considered to have produced the goods with greater efficiency than the former. Since managing organisational behaviour for effective and if possible, efficient performance, implies that all the five components mentioned above are properly handled, an idea of what these components encompass would be useful.

### People

The people in the system, of course, need to be managed. In the people area, managers have to deal with

1. *Individual employees* who are expected to perform the tasks allotted to them;
2. *Dyadic relationships* such as superior-subordinate interactions;
3. *Groups* who work as teams and have the responsibility for getting the job done, and
4. *People outside the organisational system* such as customers and government officials.

### Jobs and Tasks

The job refers to the sum total of an individual's assignment at the workplace. Tasks refer to the various activities that need to be performed to get the job done. As we will see later in the book, how jobs are designed, and the extent to which the tasks done by the various individuals and groups are inter-related or independent, have implications for organisational effectiveness. Thus, jobs and tasks have to be designed and managed properly.

### Technology

Technology is the mechanism by which the end product or service of the organisation is produced. For instance, in manufacturing cars, an assembly-line technology is used where the ultimate car produced is the result of the treatment it received at the various sequential steps through which it moved. As another example in the service industry, banks take money from creditors or lenders who invest in the bank and offer



it to borrowers who need the money for their business or other projects which the bank considers as sound. The bank thus mediates between the lender and the borrower and uses what is known as the mediating technology. The type of technology used by an organisation has an effect on its structure and how effectively and efficiently the end-products are made. Thus, managing technology is an important component of effective and efficient performance.

### Structure

Structure refers to the job positions and how they are set up within the organisation. The positions can be arranged within the system in a hierarchical fashion with people at lower levels reporting to those at higher levels. There could be several levels created within the organisation, when the structure becomes tall and pyramid-like. At the other extreme, structures could be very flat with very few levels of hierarchy. The entire dynamics of communication, flow of authority, and rules and regulations in the system differ between the two structures discussed above. The structure of the organisation has to fit with several other factors such as the technology, size, and the environment facing the organisation in order for the system to be effective. Hence, managers have to deal with and manage the structural aspects of the organisation as well.

### Process

While structure basically refers to the roles and the number of hierarchical levels in the system — factors that are visible and easily recognisable — process refers to the way or manner in which things get done. For instance, a manager might be able to influence an employee to work overtime to complete an urgent job by a mere smile, a friendly look, or a pat on the back. These mechanisms of influence are not readily visible and are quite nebulous to track. The term process refers to such abstract things as *how* things are done; for example, how the manager leads, motivates, manages the perceptions of the employees by making them feel they are in a good working environment (that is, he manages the organisational climate), or manages to instil the right norms and values that are considered to be necessary for achieving the goals of the organisation (that is, he manages the culture of the organisation). These processes are not easily visible nor can they be readily measured. The personality characteristics, managerial philosophies, and leadership styles determine how a manager manages any given situation. Thus, the processes used by different people to achieve organisational goals vary. Some processes are more effective than others and bring about better results. Thus, a manager has to be sensitive to and manage the styles and processes that he or she uses in achieving the goals of the organisation. The manager has also to be perceptive of the processes that others in the system use so that he or she is not caught off-guard and the system can be steered in the right direction.

### The External Environment

What we have discussed so far relates to the components within the organisation, that is, the internal environment of the system. However, there are factors in the external environment of the organisation as well which have to be managed so that the organisation operates effectively. Such external environmental factors could relate to the market place, supply systems, governmental regulations, the economic, financial, or political climate, the changing demographics of the work force, the cultural environment in which the organisation is embedded, and so on. Consider the impact on the Indian cotton textiles industry if a cheaper substitute fibre to suit tropical climates became available and the industry was not sensitive to the changes taking place in its market and technological environment. Or consider the repercussions of a foreign firm wanting to set up a business in India without any idea of the cultural or labour market environments.

In sum, organisations are embedded in an environment within which they operate. Some of the external factors may be completely beyond the control of the organisation to change, such as the cultural, social, or governmental aspects. However, many of the other factors such as sizing up the market, being in tune with the technological changes taking place, being a step ahead of the competition, or stocking up and buffering supplies when certain materials are likely to be in short supply, are all within the control of the organisation. Effectively managing these situations, however, requires constant and close vigilance, adaptability to changes, and being able to manage problematic situations through good decision making. Those



organisations which are "proactive" (that is, watchful and take action before crisis situations occur) and can "manage" their external environment are more effective than those that are reactive (that is, caught off-guard and wake up after facing the crisis situation) and are unable to cope effectively.

In a sense, we can depict the manager amidst a whole range of encircling factors which he or she has to manage effectively in a timely manner as in Figure 1.1.

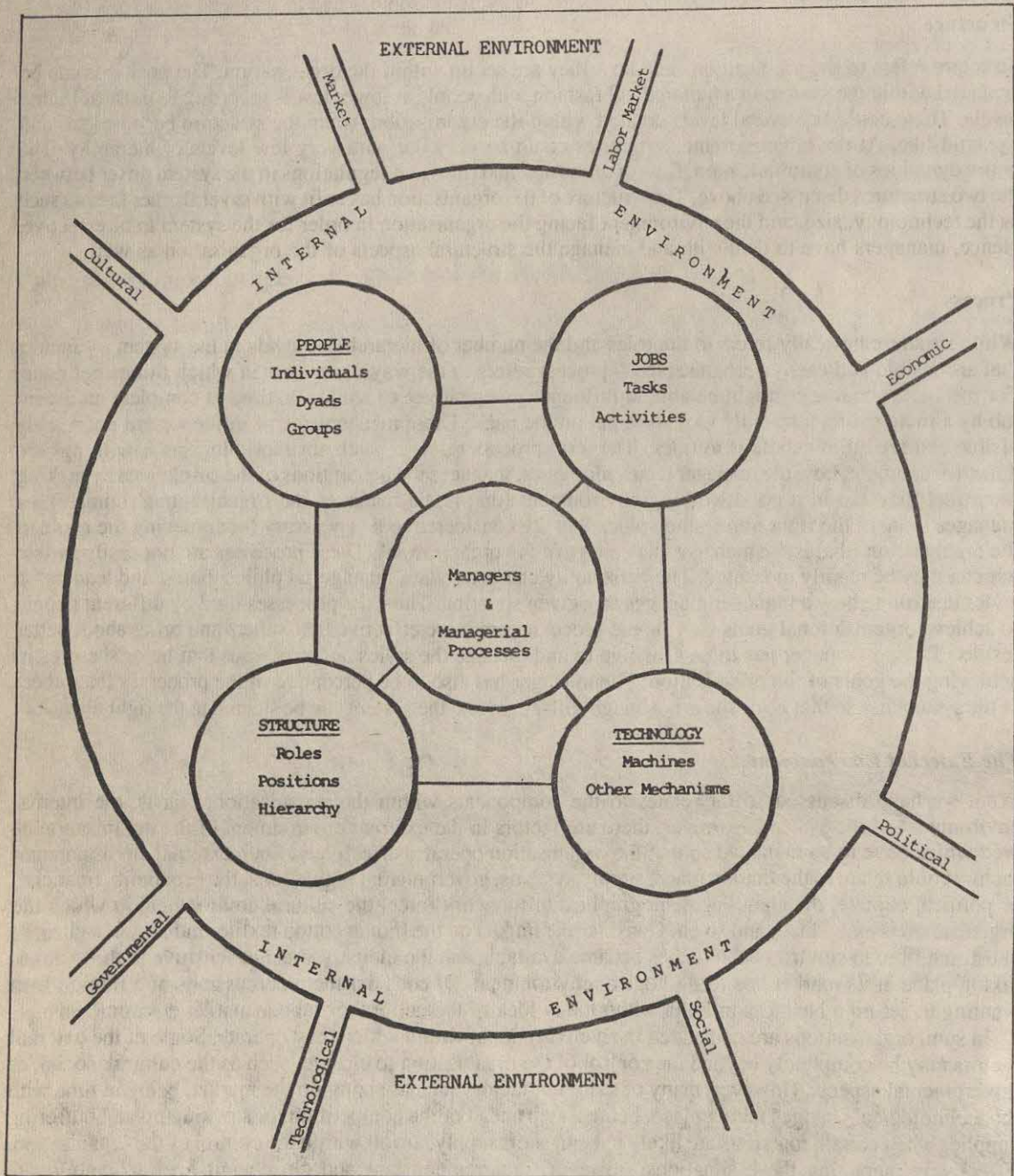


FIG. 1.1 The Managers and the Internal and External Environments



From the foregoing, it becomes evident that being a manager and managing an organisation for effective performance is not easy. Managers have to acquire knowledge about the nature of organisations and the management processes, obtain some insights as to their own predispositions and styles, understand how different situations need to be managed, become sensitive to environmental scanning and then apply management theories to practical situations to become good and effective practicing managers.

In this book you will be exposed to several concepts and theories to manage your own and others' effective performance. You will be given several exercises and cases to apply what you have learnt. You will also have the opportunity to take several paper and pencil tests to assess your own personality predispositions and management styles. By judiciously working on all the above and reflecting on your own management and problem solving styles, you will be able to hone your managerial abilities. You can also apply many of the concepts and theories that you learn in your daily life as you interact with others and manage your own life, and thus start sharpening some of the important skills required to become successful managers. For example, you can develop your perceptual and leadership skills. We will now examine the evolution of management thought.

## **Classical and Contemporary Theories of Management**

Effective management, as a science, has been studied from different perspectives. We can arbitrarily split the approaches to the study of management into three basic schools of thought: the classical school comprising both the scientific management approach and the administrative theory approach; the behavioural approach, and the systems and contingency theory approach. In understanding each of these it becomes clear that they all aim towards understanding the same goal, that is, how to make the organisation tick. We will briefly highlight the salient features of each of these schools of thought since they have all contributed to our understanding of the science and art of management through their ideas, concepts, and theories.

### **The Classical School**

#### ***The Scientific Management Approach***

The fundamental concern of the scientific management school was to increase the efficiency of the worker, basically through good job design and appropriate training of the worker. Fredrick Winslow Taylor is the father of the scientific management movement and he developed many ideas to increase organisational efficiency. Taylor (1947) showed that through proper job design, worker selection, employee training, and incentives, productivity can be increased. Henry Gantt, a colleague of Taylor's, developed ways in which to plan and schedule production activities to enhance efficiency, now wellknown as the Gantt Chart. Frank and Lillian Gilbreth, also proponents of the scientific management school of thought, developed time and motion studies to measure, record, and improve efficiency.

The scientific management school advocated that efficiency can be attained by finding the right methods to get the job done, through specialisation on the job, by planning and scheduling, by using standard operating mechanisms, establishing standard times to do the job, by proper selection and training of personnel, and through wage incentives.

#### ***Administrative Theory***

In the early 1930s, several principles of management which served as guidelines to managing work were developed by people such as Henri Fayol in France and Chester Bernard in the U.S.A. Fayol identified 14 principles of management. He also reiterated the importance of specialisation of labour, that is, allocating small components of the job to employees so that by repeatedly performing the same tasks over and over again, they become extremely adept at performing the tasks. He proposed that authority and responsibility go hand in hand. In other words, if a person is given the responsibility to get a job done, the individual must

also be given the necessary authority to execute the job without any impediments placed by others. Fayol (1949) paid much importance to the structure of the organisation and how the organisation is designed in terms of division of work, authority and responsibility, unity of command, and scalar chain.

Unity of command refers to an employee receiving orders from only one superior, and scalar chain refers to the unbroken chain of communication and authority flowing from top to bottom.

The classical school, that is, the scientific management scholars and the administrative theorists, paid attention to the technical aspects of efficiency both from the job and administrative points of view and assumed that financial incentives would be enough to motivate employees to give forth their best. Thus, the worker came to be considered an "economic man", turned on by the money motive. The contributions of the administrative theorists lay in their highlighting the importance of planning, organising, directing, and controlling activities to attain the goals of the organisation.

### **Beyond Classical Theories: Bridging the Gap**

Henri Bernard was probably the first theorist to take into consideration the fact that individual behaviour at work is more than a function of the economic motive in man. Bernard identified that the "willingness" of the individual to make contributions at the work place was important. Thus, not only must the individual be capable of performing the work but must also "want" to work. Orders given by the superior must be accepted by the lower level employee in order for the job to be completed. Thus, there is an element of the "willingness" of the worker to accept orders from the superior. The superior can exercise his authority to command only so long as the subordinate accepts the authority of the superior. This willingness to accept the order and make contributions to the organisation will be forthcoming only when the demands made on the worker are perceived to be "reasonable". The concept of the "zone of indifference", that is, beyond a certain limit one cannot exert authority and expect it to be carried out, is discussed in greater detail in the chapter on leadership later in the book. Bernard also highlighted the point that the individual will be willing to contribute his effort to the organisation only when he perceives that in addition to gaining monetary rewards, opportunities for acquiring distinction and prestige also exist in the organisation for him. Thus, the concept of man changed from being purely driven by economic motives to being rational, that is, the "economic man" became a "rational man" as well.

Henri Bernard (1918) identified decision making as the most important function of the executive which led to organisational success. Since communication effectiveness is the basis for making good decisions, Bernard stressed the importance of the role of communication in organisations. In addition to managing organisational communication, he described the other functions of the executive as formulating the purpose, objectives, and goals of the organisation, and recruiting, training, and rewarding the organisational members appropriately.

Following Bernard's emphasis on decision making as an important function in organisations, Herbert Simon (1945), the Nobel Prize winner, has made a distinction between the maximising and satisficing behaviours of individuals in decision making. The point made by Simon (1945) is that when decisions are made, several variables that impinge on the situation have to be fully considered. Decisions are made at various levels in the organisation and it is not possible for individuals to take all of the relevant factors into consideration while making decisions due to limitations of time and expertise. Thus, instead of trying to maximise the outcomes by taking all the relevant factors into account, more often than not, individuals try to make the best decisions they can with the amount of information that can be obtained within the limitations of time and other resources. They thus tend to "satisfice" rather than "maximise" the outcomes for the organisation.

Bernard and Simon cannot be said to fit into either the classical or the behavioural schools. Their ideas went beyond the classical school of thought, and in a sense, directed attention to the behaviour of individuals at the work place in terms of the types of decisions they make. The contributions of Bernard and Simon to individuals' rational decision making behaviours have since led to mathematical model building and Decision Sciences Support Systems as aids to managerial decision making in the organisational context.



### *The Neo-Classical Behavioural Science Approach*

In the early 1930s Mary Parker Follett took a less rigid and more practical approach and brought together the classical theorists to provide a meaningful and useful body of knowledge. She was widely consulted by businessmen and organisational theorists. Far ahead of her times, her writings (Follett, 1949) included discussions of expert knowledge as a basis of power, and conflict management as a way of resolving organisational problems in a productive way. Her works which still have implications for management science can be said to be the beginning of a behavioural approach to the art of management even though Mary Follett was a contemporary of the classical theorists. We can trace the growth and development of the behavioural science concepts and theories through three stages—the human relations, the human resources, and the contingency theory contributions.

### *The Human Relations Era*

The Hawthorne studies were the turning point in the thinking of management theorists and scientists that the successful management of organisations was not merely a function of the adherence to the management principles developed thus far. Elton Mayo and his colleagues from Harvard Business School who studied workers at the Hawthorne plant of the Western Electric Company in Chicago during 1929–1935, found that workers' perceptions, feelings, attitudes, and beliefs played a big part in their productivity. In the experiments conducted at the relay assembly room, whether lighting was increased or decreased, the workers under observation were producing at a higher rate because they felt "special". In the experiments conducted in the bank wiring observation room it became evident that the output of members is a function of accepted social behaviour and norms established in the group. Both under-production and over-production were avoided by members in order to gain social acceptance of the group. Further interviews with the workers confirmed the fact that performance at work depended not merely on pay but on employee's feelings about how they were treated and their perceptions of the supervisor's style of management.<sup>1</sup> Thus started the human relations era which focused attention on treating the individuals at the workplace in a very humane and kind way.

Thus, while the classical theorists subscribed to the notion that appropriate changes made in the work setting with regard to the job will automatically result in increased performance if the workers are trained and rewarded, the human relations theorists had other ideas. Evolving from the Hawthorne studies, the human relations school recognised that workers respond to appropriate changes made in the work setting with their feelings and sentiments and by what they perceive to be the social norms in the work setting. Thus, the study of management shifted from a stimulus-response notion to understanding the stimulus—the worker's feelings and reactions. Thus, the concept of the worker now shifted from that of the "rational man" to "social man" with needs and wants to be accepted by others as a member of the group.

### *The Human Resources Approach*

As the human relations theory gained momentum and training programmes in human relations were becoming popular, it began to be noticed that happy workers are not necessarily productive workers. Organisation theorists then began to propose that managers are themselves often responsible for creating problems because they do not understand the complexity of human nature and often operate and manage under the wrong assumptions. The management of human resources where the needs of both the individual and the organisation can be jointly met then became an idea to be pursued. Douglas McGregor (1960) in his famous Theory X and Theory Y exposition, Rensis Likert (1961) in his *New Patterns of Management*, and Chris Argyris (1957, 1965) in his plea for reducing organisational control, put forth similar ideas and points of view on effective management of human resources.

Thus, in contrast to the human relations movement which took a relatively simplistic view of human nature, the organisational behaviour approach encompassed in the human resources and other models, recognises the complexities of human behaviour in the organisational setting. Cognitive and behaviourist theories of how humans behave in organisations, which are discussed throughout this book, provide the

<sup>1</sup>For a detailed discussion on the Hawthorne Studies see Mayo (1933) and Rothlisberger and Dickson (1938).

foundation for theories of modern organizational behaviour. Using human relations as a point of departure, humanists like Douglas McGregor and cognitive theorists such as Victor Vroom laid the foundation for what is now known as theories and practices of organisational behaviour. We will briefly describe some of the value systems and viewpoints of the humanists.

**McGregor's Theory X and Theory Y** McGregor (1960), in *The Human Side of Enterprise*, points out that managers make a set of incorrect assumptions about human nature and hence manage employees ineffectively. The Theory X manager, as McGregor refers to him, believes that human beings are inherently lazy, dislike and shirk work, need to be coerced and closely supervised, and punished if they do not perform their tasks. McGregor suggests that, in fact, a different set of assumptions about the nature of employees need to be made and he called them the Theory Y set of beliefs. They are that employees are not inherently lazy, they want to and do enjoy work, do not have to be supervised, desire to develop and grow on the job, and can perform very well with self control if given the opportunity to do so. Hence, he suggests that supervisors and managers should practice Theory Y management style where workers are given the opportunity and encouragement to perform under loose supervision.

**Likert's New Patterns of Management** Likert (1961, 1967) believes that as organisations move from a highly exploitive autocratic system (which he calls system I style of management) to a democratic style (system IV), they will meet the needs of human beings and become productive organisations. Organisations practising system I style of management do not have trust in subordinates and control employees without obtaining inputs from them. System IV organisations, however, completely trust employees and make constructive use of their inputs. The characteristics of each of the four systems as defined by Likert are given in Fig. 1.2. Thus, Likert advocates that the one best way to manage is for all organisations to move from system I to system IV and engage in new patterns of management.

Characteristic	SYSTEM 1 (Exploitative Authoritative)	SYSTEM 2 (Benevolent Authoritative)	SYSTEM 3 (Consultative)	SYSTEM 4 (Participative Group)
Trust in Subordinates	None	Condescending	Substantial	Complete
Motivation Accomplished by	Fear and Threats	Rewards and Punishment	Rewards, Punishment, Involvement	Group Participation, Involvement
Communication	Very Limited	Limited	Fairly Widespread	Widespread
Interpersonal Interaction	Very Limited	Limited	Moderate	Extensive
Decision Making	Centralized	Mostly Centralized	Broad Participation Allowed	Dispersed
Goal Setting	Centralized	Mostly Centralized	Some Participation Allowed	Participation Allowed
Control	Centralised	Mostly Centralized	Moderate Delegation	Extensive Delegation
Informal Organization	Always Developed and in Opposition to the Organization	Usually Developed and Partially in Opposition to the Organization	May be Developed and may Support or Oppose the Organization	Informal Organization is the Same as the Formal Organization

FIG. 1.2 Likert's Four System Construct

**Argyris's Notion of Integrating the Individual and the Organisation.** Argyris (1957, 1964) feels that organisations treat individuals in the system as children, assign to them simple tasks, and create dependence in them by exercising too much control over them. This creates a self fulfilling prophecy; that is, because



the managers treat the employees like infants and expect dependent behaviours from them, employees tend to behave like children and engage in simple, dependent forms of behaviours. This is dysfunctional to healthy humans and results in frustration and a lack of work role involvement. Argyris argues that by giving increased responsibility, a broader range of tasks, and independence, employees will reach their potential and increase their productivity. Thus, by treating individuals like mature adults, organisations can increase productivity while at the same time meet the needs of individuals for independence and growth.

### The Systems and Contingency Approaches

Around 1950, organisations began to grow and become complex systems with diversification, computerisation, and improved communication and marketing technologies. Simply treating all the people in the system with consideration and kindness did not improve productivity. Employees in organisations seemed to have several needs at the work place and had to be offered inducements differently to suit their needs. Thus a "complex man" approach to dealing with human resources was considered more relevant than a simplistic "social man" approach. Moreover, the human relations or human resources approaches alone did not provide all the answers to effective management since there were several factors beyond the management of human resources that accounted for successful operations. In other words, there was no one simple way to manage all situations. This led to the search for other ways of looking at management to understand how organisations ought to be managed.

#### The Systems Approach

While the classical theorists paid too much attention to the structure of the organisation (span of control, unitary command, etc.), the human relations and human resources people paid attention solely to the feelings and attitudes of the workers. What was missing in understanding management was the simultaneous examination of the structural as well as the human aspects of the organisation. The systems theory people argue that an organisation is a purposeful system with several subsystems which are highly interconnected. Any action that is taken to solve the problems in one subsystem will have its repercussions on the other subsystems as well, since all the parts of the organisation are closely interconnected. They identified five subsystems: (1) The production subsystem which attends to all the production tasks of the organisation; (2) The maintenance subsystem which offers stability and predictability via the proper selection of employees, the inspection of incoming raw materials, and the like; (3) The boundary subsystem where the interactions with the external environment are carried out to monitor the changes that take place in the economic, social, technological, market, and other significant environments facing the organisation; (4) The adaptive subsystem which deals with the concerns of long-range planning and innovation; and (5) The managerial subsystem which cuts across all of the functions mentioned above.

Thus the systems approach envisions the organisation as a purposeful system with its five subsystems which should operate in unison because of their interconnection in achieving the goals of the organisation. The systems theorists, primary among them, Katz and Kahn (1966), describe the organisation as "open to its external environment", receiving certain "inputs" from the environment such as human resources, raw materials, and other necessary ingredients to run the organisation, engaging in operations that transform the inputs into the final product, the process known as "throughputs", and finally turning out the "outputs" in its final form to be sent back to the environment. The organisation, since it is open to the environment, also receives "feedback" from the environment and takes corrective action as necessary. This input-throughput-output model with the feedback mechanism can be illustrated through a simple example.

Let us say that a company is making jute bags. The inputs of the organisation are all the resources that it takes to make the jute bags — the raw materials, the human beings that make the bags, the machinery that is used for manufacturing the bags, the building in which the manufacturing is done, the electricity, and all the other resources used for making the jute bags. The throughput is the actual transformation process used. For instance, the specific weaving processes used as the production mechanism, and the managerial supervision and direction that helped the manufacturing process itself. The outputs are the actual gunny



bags and the growth, development, and satisfaction of the organisation's employees. These are the end results of the throughput or transformation process. End products of the organisation are not only the gunny bags but also the more experienced members of the work force who can handle more complex situations should there be changes in the environment which might need a different type of gunny bag, or of a different quality, for instance. By being open to the environment and receiving feedback from it, for example, listening to consumers' reactions to the gunny bag produced, the organisation can improve its operations and satisfy its clients' needs. This will make the organisation even more effective, and hence, more successful.

### ***The Contingency Approach***

While the approaches to management discussed thus far suggest that there is one best way to manage (for example, move towards system IV, or practise Theory Y principles), the contingency theorists who also take an open systems perspective of the organisation, suggest a situational approach to effective management. That is, they subscribe to the notion that different organisations facing different environments and operating in different situations need to be managed differently (Burns and Stalker, 1961; Lawrence and Lorsch, 1967). The way organisations are structured and their throughput processes will have to be different for different types of systems. In other words, contingency theorists do not accept universalistic management principles which offer the one best way to manage effectively under all circumstances.

In sum, contingency theorists argue that the external environment and several aspects of the internal environment govern the structure of the organization and the processes of management (these are described in detail in later chapters in the book). Effective management processes will vary in different situations depending on the individuals and groups in the organisation, the nature of the jobs and the technology, the environment facing the organisation, and its structure. When the environment, the structure, the employees, the jobs, and the processes used to manage the organisation all mesh well together, the organisation will function effectively. Since no two organisations or situations are exactly alike, there is no one best way to manage. Hence, different managerial practices and styles are needed for effective management. Thus, contingency theorists view effective behaviours as emerging when the management style fits the unique demands of each individual situation.

### ***The Role of Culture in Management***

Very few organisational behaviour theorists have examined the influence of national culture on management practices and organisational behaviour. However, one of the contingent or situational factors that needs to be taken into consideration when examining organisational behaviour for effective performance is the national culture. Hofstede (1980) is the very first researcher (and the only one at this time) to examine and empirically establish four dimensions of culture that are relevant for management and organisations. Sekaran and Snodgrass (1986, 1987), among others, have systematically conceptualised the role of culture as it impacts on current contingency theories of organisation and organisational effectiveness. Since western theories of effective management of organisational behaviour should be examined and adapted to fit the cultural values of the national boundaries in which an organisation is embedded, we will briefly describe Hofstede's cultural dimensions and where India fits into this dimensional structure as empirically delineated by Hofstede.

### ***Hofstede's Delineation of the Four Dimensions of Culture***

Hofstede (1980) investigated work-related cultural values in 50 countries at two points in time. He empirically delineated four dimensions of culture which are integral to the work values of employees in work settings. Hofstede found that countries could be plotted along these four dimensions with respect to their cultural values which are deeply embedded in the nationals of these countries. This does not mean that individuals within the nation will not differ from each other on these values, but that within a country differences on these cultural values will be far less than between-country differences on these dimensions.



He called the four dimensions Power Distance, Uncertainty Avoidance, Individualism-Collectivism, and Masculinity-Femininity. We will briefly examine what these mean and where India is positioned on these dimensions. Wherever relevant, attention is drawn to one or more of these cultural dimensions later in the book as we discuss various aspects of organisational behaviour.

**Power Distance** Power distance relates to how power is distributed in institutions. In societies where the power distance is large, people at top levels in the organisation make all the decisions and individuals at the various hierarchical levels do not interact with each other freely. The people in the system feel reasonably comfortable with the fact that power is exercised at the higher levels of the hierarchy and decisions are relatively centralised. Those at the lower echelons with very little power are reasonably comfortable with their dependent relationships with those at the higher levels who exercise all the power. In societies where the power distance is low, individuals within the organisation engage in more participative decision making processes and tend to pursue more egalitarian relationships despite differences in the hierarchical levels. Employees in low power distance cultures feel comfortable in pursuing their interdependent (rather than dependent or independent) relationships.

Of the 50 countries studied by Hofstede, Austria was the lowest in power distance (rank 1), and Malaysia was the highest (rank 50). India ranked 42, denoting a fairly high power distance culture, where organizational members are predisposed to centralised decision making and non-egalitarian interactions among members at the various hierarchical levels.

**Uncertainty Avoidance** Uncertainty avoidance is reflected in how societies respond to the unknown future. Cultures that are weak on uncertainty avoidance have a high tolerance for facing an ambiguous or unknown future without experiencing undue stress. People in such cultures tend to take things as they come with a sense of equanimity. People in cultures high on uncertainty avoidance, on the other hand, have low tolerance for ambiguity and feel extremely stressed by the uncertainty of the future course of events for themselves and for the organisation. One way they try to deal with this is through extensive planning and forecasting for the future. People who are in weak uncertainty avoidance cultures, however, since they feel comfortable in facing events as they come, tend to take risks rather easily and tend not to work as hard as they possibly could.

Hofstede found that Singapore ranked lowest (rank 1) on uncertainty avoidance (that is, it had high tolerance for the uncertain future and hence experienced very little stress about the future) and Greece ranked highest (rank 50), with India ranking ninth. This indicates that India is high on tolerance for ambiguity and hence does not experience stress because of the unknown future.

**Individualism-Collectivism** This dimension reflects the relationship between the individual and the group of which he or she is a member. Members in cultures which are high on individualism place much emphasis on individual initiative and achievement. They are self oriented and tend to look after their own self-interests. Culture groups high on collectivism, on the other hand, have members who consider themselves as primarily belonging to a group (rather than being individualistic) and they look after each other's interests. Members in collectivistic societies desire to belong to the organization and to their work groups in contrast to members in individualistic societies who work for the organization with the main motive of achieving as an independent, individual member. Highly individualistic societies tend to avoid collective work or group responsibility at the work place. Highly collectivistic societies tend to dislike individualistically oriented work situations. Both work allocations and reward systems have therefore to be designed based on the individualistic or collectivistic orientations of groups to attain effectiveness.

The U.S.A. is highest on individualism and lowest on collectivism; Gautamela is lowest on individualism and highest on collectivism; and India ranks 30 out of the 50 countries which indicates that it is slightly more collectivistic than individualistic, if we categorise the top 25 countries as tending more towards individualism and the bottom 25 countries as leaning more towards collectivism.

**Masculinity-Femininity** This dimension portrays a culture group's dominant value system as it relates to the job. In masculine cultures, people have a strong tendency to perform, achieve, make money, show off, and consider big as beautiful. In a feminine society, in contrast, the dominant values are to be people



oriented, not to show off, pay attention to the quality of life rather than making money, and to consider small as beautiful. Hence, the goals, the reward systems, and the assessment of organisational effectiveness in the two different cultures will obviously be different.

Japan is the most masculine country and Sweden the most feminine, with India ranking 30th again. This denotes that India is slightly more masculine than feminine.

### **India's Cultural Dimensions**

As per Hofstede's empirically established dimensions, we can describe India as high on power distance, weak on uncertainty avoidance, slightly more collectivistic than individualistic, and slightly more masculine than feminine in work oriented values. These cultural values can be expected to have an impact on various aspects of management and organisational behaviour, which then raises several questions. For instance, if India is high on the power distance index, will it be functional to try to practice egalitarian styles of management which are highly recommended by many in the U.S.A.? This is an empirical question that needs to be examined and answered. Likewise, if India does not have very strong masculine values, is there very much that managers can do to make the vast majority of workers achievement oriented? The purpose of raising these questions is not to advocate rigidity and reluctance to try new methods and styles of management, but to highlight and caution that culture is a very significant contingency factor, which we should pay attention to in understanding organisational behaviour. In other words, Western management practices should not be attempted to be transplanted in India without examining the infrastructure of cultural values that are deep-rooted in organizational members. If certain changes that are seemingly incongruent with the cultural values have to be brought about, then suitable training programmes that would be functional in changing the attitudes and beliefs of members, need to be designed. Without such conscious efforts, any change strategies which are incongruent with the preferred modes and styles of behaviour of organizational members, will be ineffective.

### **The Changing Work World and Productivity**

The changes taking place in our operating environment are enormous. We have been transformed to a great extent from being primarily an agricultural society to becoming an industrialised country. We even have nuclear power. Technology has taken hold of the lives of all industrialised nations and we are no exception. As opposed to our importing grains only a few years ago, we are now exporting them. This self sufficiency in food and exporting capacity has been primarily due to our adopting technology that works for us. For instance, we do not have the luxury of totally mechanising our farms. The reason is simple; we just cannot afford to displace the farm labour. Similarly, we cannot completely adopt modern technological methods in our urban industries for the same reasons. However, we cannot ignore the advances in technology and cling to ancient methods and processes of production. The best way to improve our productivity is through the contingency or situational approach, that is, practising effective ways of managing by finding the best fit among the human, technical, technological, and structural factors that need to be managed, and ensuring that the processes of management are congruent with our cultural values.

Managing non-human resources such as materials and machinery is relatively simple; managing human resources is pretty complex. When an employee joins an organisation, there is a "psychological contract" that is established between that individual and the organisation. That is, there are certain mutual expectations set between the two. For instance, the organisation expects the employee to give forth the best effort, have organisational loyalty, and work towards the goals of the organisation. Similarly, the employee who joins the organisation also has certain expectations of the organisation; that the organisation will care, will be fair in dealing with and rewarding the individual, and will offer opportunities for the employee to develop and advance in the system. How the psychological contract is set, nourished, and strengthened is a function of the effective management of organisational behaviour. Because we do not completely understand human behaviour, the actions taken by managers with the best of intentions, sometimes result



in undesired and unanticipated consequences for the system. The study of management and organisational behaviour is also a study of the intentions — behaviours — and consequences of managerial actions.

## Organisation of this Book

In this book we will discuss the management of all the factors identified in Figure 1.1. We will examine the personality, motivation, perceptual dynamics, and other factors relevant to understanding individual behaviour; explore interpersonal and group dynamics; explain the structuring of jobs and organisations; and examine how organisations handle changes and make planned efforts to develop and grow. Finally, we will tie the structural and processual aspects of management to see how they enhance organisational effectiveness. Since our understanding of these are based on scientific knowledge gained through research, we will discuss research on organisational behaviour in the next chapter and see how research has educated us about the roles played by the manager and about managerial work.

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## Discussion Questions

1. In your own words describe what the term organisational behaviour means to you.
  2. What do we mean when we say that organisations are purposeful systems?
  3. Why do you think division of labour and coordination of activities are important for an organisation to attain its goals?
  4. How do you think the human relations approach can be differentiated from the human resources approach to management?
  5. How does the classical management school of thought fit in with the systems approach?
  6. What do you think of McGregor's Theory X and Theory Y? Which one appeals to you? Which theory do you think is followed by the majority of managers in India? Give reasons for your answer.
  7. Describe open systems. Explain the educational setting using the open systems model.
  8. Briefly describe the four cultural dimensions delineated by Hofstede.
  9. Explain giving your own examples as to why it is important to take culture as an important variable in adopting western management practices.
  10. What is a psychological contract? Describe the psychological contract that exists between you and your instructor.
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# Understanding Organisational Behaviour through Research

Managers often wish they had more control over work situations and were able to understand, explain, and predict employee behaviours. Managers are primarily interested in two things: increasing the performance of the employees and at the same time keeping them satisfied in their jobs so that they continue to perform well and remain committed to the organisation. Organisational researchers help managers by scientifically studying several aspects of management and assessing their impact on employee attitudes and behaviours. That is, they investigate the relationships among various factors in the situation including the manager's own styles and interaction patterns and how these influence employees' actions and behaviours. Thus, several hundreds of research studies have and still continue to investigate such factors as job satisfaction, job performance, organisational commitment, leadership style and so on. Our understanding of the management of organisational behaviour for effective performance is based on the research findings of several scholars in the management and organisational behaviour areas over several decades. As future managers, you will be reading different scholarly journals to draw knowledge from. It will be useful for you to know how organisational research is conducted and how to draw educated conclusions on whether the research findings from one situation will be applicable to the organisational situation you find yourself in. In this chapter we will discuss the types of research most frequently conducted in organisations, examine some critical aspects of scientific research, and discuss the findings from observational studies that describe managerial work and managerial roles.

## Scientific Research

Research can be defined as an organised and systematic effort at investigating problems and situations, in order to derive an understanding of the phenomena that are often intriguing and find solutions to vexing problems. Research involves formulating a problem for study, understanding the critical variables that impact on a given situation that is being investigated, collecting the necessary data on the variables of interest, and analysing the data and drawing conclusions therefrom to arrive at some understanding of the phenomena that are investigated. Research conducted in a scientific manner should have the appropriate research design that will find the best possible answers to the investigation and generalise the findings. Generalisability simply means that the findings of research can be successfully applied to many other organisations that face similar situations. A complete or very detailed discussion on scientific research and research methodology is beyond the scope of this book. However, the brief discussions that follow should offer you an idea of how scientific empirical research, that is, research which involves the collection and analysis of data, is done and how you can determine whether the recommendations made in a particular



study can be applied to your organisational situation or not. A detailed approach to research appreciation and skill development useful for managers can be seen in Sekaran (1984).

## Research: Basic and Applied

Research can be done as a matter of academic interest to generate a body of knowledge about some phenomena of interest to the researcher, such as, turnover or absenteeism and how they can be reduced. This type of research is known as Basic Research or Pure Research which most university professors engage in. Research can also be conducted to find a solution to a specific problem that a particular organisation is currently experiencing, such as, why there are frequent strikes in the ABC company. This type of research is called Applied Research since the recommendations based on the results of the research are immediately applied to solve the problem. Most organisational consultants conduct applied research. Whether basic or applied, the research should be scientifically conducted so that we can be sure that the results of the study will provide us with answers that are valid and can be relied upon. Most of our current knowledge about organisations, management, and organisational behaviour stem from basic, empirical research conducted by scholars in these areas. Empirical research simply refers to research based on data collected and analysed to study phenomena of interest, as opposed to using case studies or other intuitive methods. We will now briefly discuss the different research designs and methods of collecting data.

### Field and Lab Studies

Empirical research studies are usually conducted in organisational settings, that is, in the place where the phenomena are naturally occurring, and such studies are known as "field studies". Here, data is collected from individuals or from existing records in the organisation on the variables of interest to the researcher. Field studies are undertaken to understand, describe, explain, or predict certain occurrences of interest to the researcher or the manager. Here, the researcher identifies the important variables that are relevant to an organisational investigation and studies them closely.

Research can also be conducted outside the organisation in artificially created settings, such as, in a laboratory. Such studies are known as "lab studies". Lab studies are conducted when the researcher is interested in tracing or identifying a cause-effect relationship between two variables. As explained below, lab studies are controlled experimental designs to detect causal connections.

### Lab Studies and Causal Relationships

When the researcher is interested in detecting cause-effect relationships, for example, if he wants to know whether increasing the pay of workers will cause them to perform better, then the researcher has to make sure that pay enhancement has a causal relationship to performance. In other words, he has to be certain that by increasing their pay, workers will definitely increase their performance. This is important to know because it may be other relevant factors such as workers' greater experience, better background knowledge, superior strength, etc., and not pay, that increases performance! So, before deciding to give pay raises to workers, the manager or the researcher would want to make sure that other variables related to performance such as the ones just mentioned, do not contaminate the true causal relationship between performance and pay. Thus, to establish causal connections, the contaminating factors should be first controlled. After this, the researcher has to manipulate the amount of pay given to the workers to determine its effect on performance. That is, the researcher would increase or decrease the pay of the workers and study the effects of this on workers' performance by collecting their performance data after each manipulation. If each time that the pay is increased their performance also increases, and each time it is decreased their performance decreases, then, the researcher can be sure that increasing pay causes performance to increase. If the above patterns of results do not emerge, then the researcher knows that pay does not have a direct effect on performance. But how does the researcher control the contaminating variables? As we will see, it is done through the lab experimental design discussed below.



**Lab Experimental Designs.** Whenever a causal relationship has to be established, the researcher resorts to what is called a lab experimental design. Such a design is set up so that all the contaminating factors are controlled and the causal variable is manipulated to study its effect on the outcome variable (workers' performance in the above case). Thus, the lab experimental design has the characteristics of the causal factor being manipulated and the contaminating factors being controlled, while the effect of the manipulated variable on the outcome of interest is studied.

It is not difficult to see that controlling some variables and manipulating a specific variable to study its effect on the outcome is not an easy thing to do in organisational settings. Hence, when a causal relationship is necessary to be established, the researcher usually conducts a "lab experiment". That is, the researcher or investigator creates an artificial setting to test the hypothesised causal relationship. For instance, the researcher who studies the effect of pay raise on performance, may get a set of students such as yourself and give an artificial task such as recording a number of bills in a register, in an artificial setting, known as the lab setting, which could be the researcher's own home, or a school building. The researcher might use some metal "chips" and ask the subjects to regard them as money. The investigator might control for differences in abilities, experience, etc., by creating four different groups of 10 members each and randomly assigning a total of 40 members to the four groups. Through the process of random assignment, every member has an equal probability of being assigned to any of the groups and hence any differences in terms of abilities, knowledge, experience, etc., are also randomly distributed among the four groups. The contaminating variables are thus controlled.

Having done this, the researcher might offer each experimental group a different number of chips as reward; one of the four groups, known as the control group, will not be given any chips at all. If there are any differences in the number of bills entered which correlates to the number of chips offered (especially as compared to the control group whose performance would be expected to remain the same every time since there are no chips offered to the group members), the researcher can then have reason to believe that increasing the chips does indeed increase performance.

This cause-effect relationship established under a lab experimental design had, of course, a rather simple task with artificial rewards, and hence the results may not be generalisable, that is, they may not carry over to the real organisational setting where more complex and varied tasks are performed and the reward systems are also not as simple. However, now that the researcher has, through the initial lab experiment, reason to believe that the reward system might have a significant causal effect on performance outcomes, he or she might want to test this out in the organisational setting before offering pay raises to all workers. The researcher may then manipulate the pay of a limited number of groups within the organisational setting even though he may not be able to control the contaminating variables since it is not possible to uproot the workers and put them in different departments through random assignment. Such an experiment conducted in the natural organisational setting with manipulation of a variable but with very limited or no controls is known as a "field experiment". Some also refer to it as a quasi-experimental design since the causal factor is manipulated without controlling the contaminating factors. If the results of the field experiment also indicate that the groups of workers for whom the pay was increased performed better than those for whom there were no pay increases, there is good reason to believe that pay has an impact on performance. However, the causal relationship here is not as clear cut as in the lab experiment since there could have been other factors that also influenced performance increases. Though one cannot confidently say that pay and pay alone increased the performance of workers in this case, the researcher knows that in the organisational setting, pay does increase performance. Thus, the generalisability of the results of the field experiment is higher. In other words, pay can be increased for all workers with the expectation that they will perform better.

In sum, lab and field experimental designs are set up to establish causal relationships between variables. Whereas the results of the lab experiment offer more confidence in or validity to the cause-effect relationship, the field experiment results offer more confidence in the workability or generalisability of the



relationship in the organisational setting. Since field experiments are difficult and expensive to conduct, to establish a cause-effect relationship between two variables, researchers should first conduct a lab experiment and then, if the results are promising, do a field experiment. For obvious reasons, field experiments in the behavioural areas of management are not commonly undertaken.

## Correlational Field Studies

In contrast to wanting to detect causal relationships, most managers simply want to know how a particular problem can be solved. For instance, they may want to know how they can get people more involved in and less alienated from their work. In such a case, the researcher may want to identify some of the factors that would help increase worker involvement and decrease their alienation. Here, the researcher is interested in finding those factors which significantly *correlate* with, not *cause*, involvement. Knowing this gives the researcher and the manager an idea of what variables in the work setting, if any, need to be changed. Such a correlational study, for instance, might indicate that giving more autonomy to the worker, increasing the scope of the job, and giving more recognition to the worker are all associated with higher involvement. These findings can stem from a field study.

Field studies, where naturally occurring phenomena are studied by researchers without manipulating or controlling variables, are very common. Here, the researcher obtains permission to enter the organisation and collect data from employees, or from the official documents of the organisation, or both. The researcher then collects information through interviews or questionnaires or through observational methods. The collected data is then analysed and descriptive statistics or more sophisticated statistical analyses are made to reach conclusions. Qualitative data (that is, answers to open-ended questions which are narrative in nature) is analysed for understanding phenomena. They can also be subjected to certain types of statistical analysis through special coding mechanisms developed for the purpose.

Field studies can be designed to: (1) *understand* complex phenomena, such as, what does the term "quality of life" mean to employees; (2) *describe* the characteristics in a given situation, say, the composition of employees—for example, ABC Co. has 154 employees: 74 males and 80 females. The mean age of the workers is 35 years and 57 percent of the employees have worked in the organisation for more than 8 years, etc.; and (3) *explain* or *predict* how a specific problem can be solved. For example, research results may indicate that the variance in employee absenteeism can be explained at least to the extent of 45 percent as a function of such factors as stuffiness in the work setting and lack of drinking water facilities inside the factory premises. Research can also predict that the same poor conditions will result in 25 percent of the turnover of people in the future. To pay credence to research results, one has to ensure that the research has been conducted in a scientific manner.

## Characteristics of Scientific Research Studies

Research, to be considered scientific, must have both purposiveness and methodological rigour.

### Purposiveness

Good research is always conducted after determining the purpose for which the study is undertaken. For instance, is it to find out what the problem is, to solve a problem, to find some causal relationship, or to predict how a variable of interest, such as, mental health can be increased? The level of sophistication with which a study is designed depends upon the complexity of the research question attempted to be addressed. Without a well-defined purpose, a good research study cannot be appropriately designed. Thus, purposiveness or a well defined purpose with a clear and concise definition of the problem to be investigated is the first hallmark of scientific research.



## Methodological Rigour

Methodological rigour refers to (1) choosing the appropriate *sample* which is representative of the population that is intended to be studied; (2) using *measures* that have reliability and validity; (3) using multiple *data collection* methods to minimise biases; and (4) using the appropriate *statistical techniques in data analysis* that fit the data characteristics and provide the answers that are sought.

A *representative sample*, is determined by the research question. For instance, if the study is to investigate the performance of research scientists in aerospace industries, then the sample drawn from this population has to be such that the characteristics of the sample in terms of demographic factors such as age, educational level, number of years in the organization, and gender, and any other relevant factors, are the same as those existing in the population (total group) of aerospace scientists being studied. If the sample drawn is representative of the population, then the findings will be generalisable to the scientists of aerospace corporations in general. Several probability and nonprobability sampling techniques are available to researchers to ensure the representativeness of the sample in their studies, depending on the characteristics of the population investigated.

*Validity and reliability* of the measures used in the study to assess the variables of interest to the researcher, assure us that abstract concepts such as motivation, involvement, and satisfaction are measured in the right way. Validity indicates that we are indeed measuring what we are supposed to be measuring (for instance, we are not measuring motivation when we are interested in measuring satisfaction) and reliability assures us that we are measuring the concept as accurately as we can. Thus, establishing reliability and validity ensures that we are accurately measuring the right variables. For details on how to test reliability and validity refer to Sekaran (1984). In organisational research, reasonably valid and reliable measures have been already established for most of the variables that organisational researchers are interested in.

*Data collection methods* should be such that the data obtained reflects reality with the minimum amount of bias. Data can be collected through: (1) *questionnaires* where respondents are asked to give their answers to certain questions asked in a written document form presented to them; (2) through *interviews* where subjects are asked questions either face to face or through the telephone; (3) through *observation* by observing people at work and recording whatever is being studied; and (4) by *unobtrusive methods* such as collecting information from company records on variables such as absenteeism or tardiness, which may be of interest to the researcher.

*Biases in Data Collection.* Several biases may creep into the data that are collected. The way we ask the questions might cause biases in responses. *Response bias* could occur due to the wording in the questionnaire or the interview. For instance, if the question asked is, "Do you think employees should be treated fairly by the superior?", it would be surprising if even one person would respond, "No." This question is leading the respondent to answer affirmatively. The questions asked should not be leading, or loaded (that is, deal with an emotionally charged issue such as the rightness or otherwise of certain debatable religious values), or tap social desirability (that is, elicit a response that conforms to social norms and values rather than reflects the true feelings of the respondent). Thus, certain principles of wording and language should be followed in asking questions to minimise respondent bias.

Observational studies are generally free from respondent bias since respondents are not asked any questions but simply observed by the researcher. Any biased behaviour that may result under observations will be soon extinguished if the subjects are observed for lengthy periods of time. Hence, by discarding the data relating to the first few days, respondent bias may be reduced considerably in observational studies. However, the researcher might introduce his or her own biases while observing or recording information. For instance, what might appear to be a social conversation to an observer from a distance and recorded as such, might, in fact, be a work-related conversation between two workers. Thus, *observer bias* might enter the recording of data if the researcher who observes and collects the data is not careful. Unobtrusive methods of data collection are perhaps the most accurate and least biased since information can be accurately drawn from written records. However, data on factors such as motivation or satisfaction cannot be obtained unobtrusively. Here one has to interact with the individuals concerned and talk to them. It is for this reason that multi methods of data collection are advocated so that the extent of bias, if any, can be



detected. For instance, if a subject has responded to a questionnaire item in the same way that he responds to me when I ask the same question verbally after one week, I can be reasonably sure that the person is offering the truthful response.

*Statistical analysis* performed should be relevant to finding the answers to the research questions posed by the investigator. The statistical techniques used could be fairly simple or relatively complex. The level of sophistication of the statistical techniques applied is a function of the hypothesis being tested and the nature and power of the data collected. Qualitative and categorical data (for example, yes or no answers), and responses that are not normally distributed, do not lend themselves to multivariate analysis and should not be submitted for such treatment. It is also very important that appropriate conclusions are drawn from the results of the data analysis. Otherwise, invalid solutions will be recommended for action.

If a research study has been conducted with a clear sense of purpose and with methodological rigour, and the conclusions from the results are drawn with objectivity, then the findings of that research are likely to be more generalisable to other similar settings than if the research is deficient in one or more of the above qualities. Usually, good published studies point out the limitations of the research. For instance, a researcher might state that the response rate of mailed questionnaires was not very high, which would cast some doubts about the representativeness of the sample; or that the reliability or the accuracy of the measures, though acceptable, was not very high for this study. This again, would caution the reader that the study is not 100 percent scientific (and no study in the field of organisational behaviour is 100 per cent scientific) and has some understandable flaws but that these drawbacks do not invalidate the findings, which have to be accepted with some caution.

### Generalisability of research findings

Empirical studies published in prestigious academic journals are expected to have followed scientific rigour in research design. Researchers give details of the sample, the data collection methods, the reliability and validity of the measures, the statistical techniques used in the analysis, and the conclusions drawn from the results. Whether or not the findings from a published research would be applicable to the particular organisational setting you find yourself in, can be determined by carefully examining the following factors in the published study and comparing it to your own situation:

1. Is the problem investigated more or less the same that you are experiencing in your organisation?
2. Is the type of organisation(s) studied the same as yours? For instance, if you are a service organisation, the findings from the study of an industrial organisation may not be quite applicable to yours; or, if you are more interested in predicting the behaviour of blue collar workers, studies of white collar worker behaviours may be inappropriate.
3. Are the characteristics of the sample described in the study representative of the characteristics of workers in your organisation? For example, if the study has a sample of young, predominantly male workers, and your organisation has predominantly older female workers, then the findings may not be relevant for your organisation. In other words, you cannot generalise the findings drawn from a sample of workers who are different than the one you have in your organisation to your situation.

### Research on Organisational Behaviour

With the availability of computer technology, thousands of research studies relating to management and organisational behaviour are conducted all over the globe. Theory building and empirical research co-exist and reinforce each other. Arm chair theories evolved from astute observation give rise to empirical testing of the validity of such theories. When the hypotheses developed from the theories are substantiated empirically, the results give rise to more theory building. Where empirical testing does not substantiate the theories, the theories are modified or refined for further empirical testing, or sometimes, they are discarded altogether. A good theory has to be of practical use and empirical validation would confirm this. Likewise, a good empirical research should have its foundation in a viable theory and should add to the body of existing knowledge. Researchers have invested and continue to invest substantial amounts of time to



develop measures that are valid and reliable to measure multidimensional abstract concepts such as job satisfaction and quality of work life, for without good measures, scientific research cannot be done and research findings will be of no use.

### **Multiple Causation**

Organisation research is often limited in its generalisability since no two situations are exactly the same. Organisational behaviour cannot be explained in terms of simple cause and effect relationships; one should always be aware of multiple causation while trying to understand organisational phenomena. That is, one should keep in mind that there are a myriad of factors operating simultaneously in the work setting that impact on each other and impinge on human behaviour. Much of what we know about effective managerial styles, job design, organisational change processes, employee attitudes and performance, organisational effectiveness, and every single topic discussed in this and other organisational behaviour textbooks, comes from systematic and scientific research inquiries. Knowing the theories developed through organisational research helps the intelligent and knowledgeable managers to wisely assess the significant variables operating in the environment and then matching their styles, techniques, and behaviours to fit the situation so that the desired end results are achieved. The effective management of organisational behaviour is not an exact science but an interesting challenge facilitated through a good knowledge of research findings and the theories that have evolved therefrom.

### **Findings from Observational Studies About the Nature of Managerial Work and Managers' Roles**

The traditional view of managerial functions is one of planning: determining the goals of the organisation and how to achieve them; organising: arranging the activities to achieve the goals; staffing: hiring the right people to do the job; directing and leading: guiding and supervising the staff and controlling: monitoring the results and taking the necessary corrective actions.

Honey Mansberg (1973) did an observational study of several executives systematically recording their activities on a daily basis over an extended period of time. Some of the significant findings from an analysis of his data throw light on the nature of managerial work typically performed by managers. His findings have been corroborated by several other observational studies as well. These studies indicate that the manager works long hours, and engages in a variety of brief and fragmented activities.

Managers typically handle about 200 different activities during an 8-hour work day. They are constantly interrupted in their work — an average of 70 interruptions per day. They also handle varied activities such as doing paper work, engaging in listening or answering telephone calls, attending scheduled and unscheduled meetings, going through the mail, and engaging in a lot of oral and written communication. In effect, the manager's day is intensely filled with activities that are brief, fragmented, and full of variety. The number of hours worked increases with the level of management, though the rudimentary of some of the activities performed might be delegated to lower level managers as one goes up to senior levels of management. Does the nature of activities described by Mansberg and others mean that managers do not perform the traditional functions of planning, organising, etc? No. The observational studies simply record the *managerial activities* of the manager during work hours without tapping the dynamics of their mental processes. Every manager has to plan, organise, motivate, direct, and control and it is done in various ways at different managerial levels throughout the organisation. Mansberg's and others' observational studies indicate to us how the manager spends the workday in manifest activities.

### **Managerial Roles**

The results of the observational studies also indicate that the manager performs ten roles which can be broadly categorised as interpersonal, informational, and decisional. What Mansberg terms the *interpersonal roles* consists of being a figurehead, attending ceremonial functions as the representative of



the organisation or work unit he or she is in; being the leader and motivating the subordinates to contribute to the system; and being the liaison person developing contacts with outsiders.

In performing the *informational roles*, the manager serves as the monitor of information by seeking and receiving important information through mail, reports, etc. The manager is also a disseminator of information, transmitting relevant information to people within the system. In addition, the manager also acts as a spokesperson transmitting relevant organisational information to outsiders who should know and be briefed about the organisation and relevant significant events that happen there.

The enactment of the *decisional roles* signifies that the manager plays the role of the entrepreneur, initiating action as opportunities present themselves for creative work; acts as a disturbance handler resolving conflicts among the members of work groups as they arise; is the resource allocator making decisions on how the resources will be allocated among the various activities in the work unit; and is also the negotiator, negotiating formal agreements with and between various parties such as union officials and government agencies.

The above descriptive results of observational studies indicate the value of research and the kind of knowledge they generate. More sophisticated empirical studies offer a deeper understanding of how desired organisational outcomes can be achieved by managers. As stated earlier, our knowledge of organisational behaviour and managerial effectiveness is based on the results of several thousand research studies.

## Summary

In this chapter, we examined the usefulness of scientific research in generating knowledge about organisational behaviour. We looked at causal and correlational research designs and examined the criteria of scientific research. We also indicated how one might determine whether or not the results of a particular research study could be applied to another specific organisation. Finally, we discussed the results of a few observational studies which give us some idea of the nature of managerial work and the roles played by the manager. In the next section we will examine some aspects of individual behaviour.

## Discussion Questions

1. Why do you think managers would like to be able to predict the behaviours of people in organisations?
2. How can researchers help managers to predict employee behaviour?
3. What do we mean by "scientific" research? Why does research have to be scientific?
4. What are the differences between causal and correlational studies? Which type of studies are more common in the organisational behaviour area? Why?
5. What are the differences between a lab experiment and a field experiment? Which is more advantageous? Give reasons for your answer.
6. What do you think are the steps in doing empirical research? List and explain them.
7. What are the different data collection methods and what, if any, are the biases in each method?
8. What is meant by the following terms:
  - a. Contaminating Factors
  - b. Control Group
  - c. Manipulation
  - d. Random Assignment
  - e. Quasi-experimental Design
  - f. Representative Sample
  - g. Validity and Reliability
  - h. Unobtrusive Method

9. What are the various purposes for which field studies are undertaken? Give an example (not in the book) for each type of purpose.
  10. Why is a theory base or foundation important for empirical research?
  11. Why is management not an exact science?
  12. After knowing the managerial work and roles, do you still want to have a managerial career? Explain your answer in some detail.
- 

## Exercise

A manager has been observing the employees in his department for several months now. He finds that on the days that there is a rush for the jobs to get done and people work at a much faster pace than normal during the entire day, they consume more aspirin tablets towards the end of the day. The next day, quite a few of the employees remain absent. Since this happens repeatedly, he concludes that there is a high correlation between doing rush jobs and ill health (may be due to stress), and the next day absenteeism.

Based on his conclusion, he has enunciated a policy that when rush jobs are to be done, half the employees will handle such jobs in the morning, and half the employees will handle them in the afternoon so that the rush jobs will be evenly distributed among the employees throughout the day with no single employee doing the rush job for the whole day.

Required:

Comment on the above situation, discussing your thoughts fully on the manager's action.



**PART TWO**

# **Individual Dimensions of Organisational Behaviour**

PART TWO

# Individual Dimensions of Organisational Behaviour



# 3

## Personality Predispositions and Managerial Effectiveness

Since behaviour is a function of the person and the environment as stated in Chapter 1, understanding who we are will greatly enhance effective behaviours. In this chapter we will briefly trace our understanding of human behaviour at work, examine some of the significant personality traits, characteristics, and predispositions that influence individual and managerial effectiveness, and discuss Maddi's models of personality.

### Views on the Nature of Human Beings

From the organisational perspective, managers had, for a long time, viewed their employees as rational beings who are primarily motivated by money. That is, they took the "economic man" and the "rational man" approach to understand and predict human behaviour. The "scientific management" movement, for instance, was premised on the belief that by rationally explaining the one best way to do things and offering incentives to workers in the form of piece rates and bonuses, organisational output can be increased.

As time passed by, proponents of the Human Relations School recognised that there is more explanation to human behaviour than mere rationality and economics. Advocates of this school viewed the worker as a "social man". That is, they recognised that man is a social being who wants to belong to a group, and functional behaviours of workers emanate from their social needs being met at the workplace. The Hawthorne studies (see Chapter 1) clearly indicated the logic that economic motives alone do not govern human behaviour; social interactions at work and how people are recognised for their contributions and treated as "special" make a big difference in their productivity and work behaviours.

The "social man" approach was also considered somewhat simplistic as time passed by. Organisational behaviour theorists such as Argyris (1957), Likert (1961, 1967), and McGregor (1960), argued that people in organisations need opportunities to use their individual creativity and must have their growth needs met in order to function effectively. However, not all organisational members want to develop and grow on the job or desire to self-actualise at work. Hence, current thinking on the subject is to take a "complex man" approach and recognise that different individuals have different needs and personality predispositions and if there is a "fit" or match between these and the environment that they operate in, functional behaviours will emerge. By understanding the concept of personality and its primary components as they influence behaviour at work, managers can try to create or structure environments in which people can most effectively function. In addition, such an understanding will help managers to enhance their own functional behaviours and thus increase their own and organisational members' productivity. Moreover, an understanding of personality will help managers to predict human behaviour at work (absenteeism, turnover, work involvement, etc.).



## Personality

Personality is a complex, multidimensional construct and there is no simple definition of what personality is. However, we can examine personality in terms of a set of relatively stable characteristics and tendencies that determine our thoughts, feelings, and behaviour and which have some continuity or consistency over time. We can also try to understand personality as having a core — that is, characteristics common in most of us, — and a periphery or those characteristics that have become a part of us because of what we have learnt from our environment. Maddi (1980), defines personality thus:

Personality is a stable set of characteristics and tendencies that determine those commonalities and differences in the psychological behaviour (thoughts, feelings, and actions) of people that have continuity in time and that may not be easily understood as the sole result of the social and biological pressures of the moment.

The above definition indicates that people have some traits in common with others and they are also different from others in certain other respects. This is the reason that managers cannot assume that they can use the same kinds of rewards or motivation techniques to influence every individual's behaviour. Maddi's definition does not imply that people do not ever change. It simply indicates that individuals do not change drastically overnight and their thoughts, feelings, values, and actions remain relatively stable over time. Changes in personality that take place in individuals occur slowly over an extended period of time. Thus, by understanding certain dimensions of personality, managers can, to a great extent, predict the daily behaviours of employees.

## Determinants of Personality

Several factors influence the shaping of our personality. Chief among these are heredity, culture, family background, our experiences through life, and the people we interact with.

### Heredity

There are some genetic factors which play a part in determining certain aspects of what we tend to become. Whether we are tall or short, experience good health or ill health, are quickly irritable or patient, are all characteristics which can, in many cases, be traced to heredity. How we learn to handle others' reactions to us (e.g. our appearance) and the inherited traits can also influence how our personality is shaped.

### Culture

The cultural values we are surrounded by significantly tend to shape our personal values and predispositions. Thus, people born in different cultures have different personalities which significantly influence their behaviours. People in the West, for instance, generally tend to be more assertive than people in oriental cultures. Employees in India tend to be more deferential to their superiors than, say, employees in the U.S.A. Such differences are mainly due to the fact that cultural norms and expectations of what appropriate and acceptable behaviours ought to be, tend to vary across societies and cultures. It should be carefully noted, however, that though cultural values may sharply delineate some personality differences among individuals in different cultures, people born in the same culture will also tend to differ from each other in many characteristics. For instance, some Indians will be more assertive, or less deferential to their superiors than other Indians. Stated differently, between-culture personality differences will tend to be significantly greater than within-culture differences, especially if each of the cultures compared is more homogeneous than heterogeneous within itself.



## Family Background

The socio-economic status of the family, the number of children in the family and birth order, and the background and education of the parents and extended members of the family such as uncles and aunts, influence the shaping of personality to a considerable extent. First-borns usually have different experiences during childhood than those born later. Members in the family mould the character of all children, almost from birth, in several ways — by expressing and expecting their children to conform to their own values, through role modelling, and through various reinforcement strategies such as rewards and punishments which are judiciously dispensed. Think of how your own personality has been shaped by your family background and parental or sibling influences!

**Experiences in Life** Whether one trusts or mistrusts others, is miserly or generous, has a high or low self esteem, and the like, is at least partially related to the past experiences the individual has had. Imagine if someone came to you and pleaded with you to lend him Rs. 100 which he promised to return in a week's time, and you gave it to him even though it was the last note you had in your pocket to cover the expenses for the rest of that month. Suppose that the individual never again showed his face to you and you have not been able to get hold of him for the past three months. Suppose also that three such incidents happened to you with three different individuals in the past few months. What is the probability that you would trust another person who comes and asks you for a loan tomorrow? Rather low, one would think. Thus, certain personality characteristics are moulded by frequently occurring positive or negative experiences in life.

**People We Interact With** "A person is known by the company he or she keeps" is a common adage. The implication is that people influence each other and tend to associate with members who are more like them in their attitudes and values. From childhood, we are influenced by the people we interact with. First our parents and siblings, then our teachers and class mates, later our friends and colleagues, and so on. The influence of these various individuals and groups shapes our personality. For instance, if we are to be accepted as members of our work group, we have to conform to the values of that group which may or may not always be palatable to us; if we don't, we will not be treated as valued members of the group (see Chapter 9 on Groups for a detailed discussion on this). Our desire to be a part of the group and belong to it as its member, will compel many of us to change certain aspects of our personality (for instance, we may have to become less aggressive, more cooperative, etc.). Thus, our personality becomes shaped throughout our lives by at least some of the people and groups we interact with.

In sum, our personality is a function of both heredity and other external factors that shape it. It is important to know what specific personality predispositions influence work behaviours. We will discuss some of the more important personality factors that have an influence on work behaviours.

## Personality Factors and Behaviour at Work

Some of the important personality factors that determine what kinds of behaviours are exhibited at work include, need patterns, locus of control, introversion and extroversion, tolerance for ambiguity, self-esteem and self-concept, authoritarianism and dogmatism, machiavellianism, Type A or B personality, and work ethic. We will briefly examine these orientations.

### Need Patterns

Steers and Braunstein (1976) developed a scale for the four personality needs that manifest themselves in the work setting. They are the needs for *achievement, affiliation, autonomy, and dominance*. Those who are high in achievement engage themselves proactively in work behaviours in order to feel proud about their achievements and successes; those high in need for affiliation like to work cooperatively with others; those high in need for autonomy function best when not closely supervised; and those high in their need for dominance are very effective while operating in environments where they can actively enforce their legitimate authority (as in police departments). Needs and need patterns and their effects on work behaviours are discussed more fully in Chapter 5, titled Motivation and Work Performance: Content and Process Theories.



### ***Locus of Control***

This concept denotes whether people believe that they are in control of events, or events control them. Those who have an *internal locus of control* (internals) believe that they control and shape the course of events in their lives, while those who have an *external locus of control* (externals) tend to believe that events occur purely by chance or because of factors beyond their own control. Internals, as compared to externals, seek more job-related information, try to influence others more at work, more actively seek opportunities for advancement, and rely more on their own abilities and judgement at work (Phares, 1973; Szilagyi and Sims, 1975).

### ***Introversion and Extroversion***

*Introversion* is the tendency in individuals which directs them to turn inward and experience and process feelings, thoughts and ideas within themselves. *Extraversion*, on the other hand, refers to the tendency in individuals to turn outward of themselves searching for external stimuli with which they can interact. While there is some element of introversion as well as extraversion in all of us, people tend to be dominant as either extroverts or introverts. Extroverts are sociable, lively, gregarious, and seek outward stimuli or external interactions. Such individuals are likely to be most successful working in the sales department, publicity office, personal relations unit, and so on, where they can interact face to face with others. Introverts, on the other hand, are quiet, reflective, introspective, and intellectual people, preferring to interact with a small intimate circle of friends. Introverts are more likely to be successful when they can work on highly abstract ideas (such as R & D work), in a relatively quiet atmosphere. Since managers have to constantly interact with individuals both within and outside the organisation and influence people to achieve the organisation's goals, it is believed that extroverts are likely to be more successful as managers (Hellriegel, Slocum, and Woodman, 1986).

### ***Tolerance for Ambiguity***

This personality characteristic indicates the level of uncertainty that people can tolerate without experiencing undue stress and can still function effectively. Managers have to work well under conditions of extreme uncertainty and insufficient information, especially when things are rapidly changing in the organisation's external environment (see detailed discussions on turbulent environments in Chapter 14 on Structure, Size, Technology, and Environment). Managers who have a high tolerance for ambiguity can cope well under these conditions. Managers who have a low tolerance for ambiguity may be effective in structured work settings but find it almost impossible to operate effectively when things are rapidly changing and much information about the future turn of events is not available. Thus, *tolerance for ambiguity* is a personality dimension necessary for managerial success (see Lorsch and Morse, 1974).

### ***Self-Esteem and Self-Concept***

*Self-esteem* denotes the extent to which individuals consistently regard themselves as capable, successful, important, and worthy individuals (see Coopersmith, 1967). Self-esteem is an important personality factor that determines how managers perceive themselves and their role in the organisation. Self-esteem is important to *self-concept*, that is, the way individuals define themselves as to who they are and derive their sense of identity. High self-esteem provides a high sense of self-concept; high self-concept, in turn, reinforces high self-esteem. Thus, the two are mutually reinforcing. Individuals high in self-esteem will try to take on more challenging assignments and be successful, thus enhancing their self-concept; that is, they would tend to define themselves as highly valuable and valued individuals in the organisational system. The higher the self-concept and self-esteem, the greater will be their contributions to the goals of the organisation, especially when the system rewards them for their contributions.



### Authoritarianism and Dogmatism

Individuals with *authoritarian* personalities tend to use their power somewhat high handedly with their subordinates, while at the same time, being deferential to their superiors. *Dogmatism* refers to a person's rigidity or inflexibility in being open minded to others' view points. A combination of high authoritarianism and dogmatism is obviously not conducive to creativity and organisational effectiveness since new ideas that people at lower levels in the system have will neither be listened to nor implemented. Certain societies tend to accept authority much better than others, and hence authoritarianism can be traced to needs of dependency in members in some cultures who feel comfortable when they are "told" what, when, and how to do things.

### Machiavellianism

Manipulation of others as a primary way of achieving one's goals is what *machiavellianism* is all about. Individuals high on the Mach scale, a scale developed to measure the extent to which an individual tends to be machiavellian, tend to be cool, logical in assessing the system around them, willing to twist and turn facts to influence others, and try to gain control of people, events, and situations by manipulating the system to their advantage. Machiavellian traits are almost uniformly frowned upon in all societies.

Machiavellians may fool a few people all the time and all the people for a very short time, but in the long run, they tend to be distrusted and disliked by many in the system and hence may become ineffective.

### Type A and Type B Personalities

Type A persons feel a chronic sense of time urgency, are highly achievement oriented, exhibit a competitive drive, and are impatient when their work is slowed down for any reason. Type B persons are easygoing individuals who do not sense the time urgency, and who do not experience the competitive drive (Friedman and Roseman, 1974). Type A individuals are significantly more prone to heart attacks than Type B individuals. While Type A persons help the organisation to move ahead in a relatively short period of time they may also suffer health problems which might be detrimental to both themselves and the organisation in the long run.

### Work-ethic orientation

Some individuals are highly work-oriented while others try to do the minimum that is necessary to get by without being fired on the job. The extremely *work ethic* oriented person gets greatly involved in the job and lives up to being described as "living, eating, and breathing the job". Extreme work ethic values could lead to traits of "workoholism" when work becomes to be considered as the only primary motive for living with very little outside interests. Estrangement from immediate family members could then occur. For the workaholic, turning to work can sometimes become a viable alternative to facing nonwork-related problems. Though a high level of work ethic orientation of members is good for the organisation to achieve its goals, too much "workoholism" which might lead to premature burnout and health problems such as asthma and eczema, is dysfunctional for both the organisation and the members who are extreme in their work ethic orientation. Thus, sustained individual and managerial success can only ensue when individuals have high, but not extremely high or low work ethic values.

We have thus far identified nine different personality predispositions which are important for individual, managerial, and organisational effectiveness. It will be useful now to understand how managers can be effective or ineffective in solving problems based on their predispositions towards gathering and evaluating information that is available to them in the work setting.

### Jung's Psychological Functions

Carl Jung (1923) identified four psychological functions used in gathering and evaluating information. They are: sensation, intuition, thinking, and feeling. The first two functions are important for gathering



information and the last two for evaluating or judging the situation. Individuals are strong in either sensation or intuition while gathering information, and they are strong in either thinking or feeling while evaluating or processing the information.

### **Sensation and Intuition**

Individuals gather data either through processing the facts and details in the environment in a very methodical fashion — *sensation* types — or through global visualisations of what the scene depicts — *intuition* types. The sensation type individual depends on a lot of information to assess the situation, is pragmatic and down to earth, and concentrates on the present time. The intuitive type, on the other hand, relies on hunches and nonverbal cues, simultaneously considers several alternatives and quickly discards the non-viable ones, is very imaginative, and is more futuristically oriented. Both sensing and intuitive types have their advantages and disadvantages.

### **Thinking and Feeling**

People evaluate and make judgements either in an impersonal and objective fashion—the *thinking* types — or in a more personal and subjective fashion — the *feeling* types. The thinking type person makes systematic inquiry, is unemotional, and highly analytical and rational in making judgements. The feeling type, in contrast, places much reliance on human feelings and emotions, is very empathic, sentimental, and tries to “read between the lines” while evaluating situations. The thinking type individuals feel comfortable when logic and good analysis are the bases of decision making and such individuals are generally unemotional and not very sensitive to the feelings of others. Feeling types enjoy pleasing others, dislike telling people unpleasant things, and heavily emphasise the human aspects of dealing with organisational matters (Hellriegel, Slocum, and Woodman, 1986). Both the thinking and feeling types have their strengths and weaknesses.

Based on the above discussions, managers could fall into one of the following types: sensation-thinkers, intuitive-thinkers, sensation-feelers, or intuitive-feelers. We will briefly discuss the effectiveness and the ineffectiveness of each of these styles for solving problems in organisations.

### **Sensation-Thinkers**

Managers with these predispositions create effective structures for organisations which insure stability. They are seldom wrong with their facts and they are dependable leaders. Some of their weaknesses include extreme impatience with delays and imperfections, and their ineffectiveness when quick changes are necessary since they are unable to act quickly.

### **Intuitive-Thinkers**

Managers with these predispositions are the proactive change masters. They see relationships among the various goals and activities and they build new systems giving much thought to the effects of their ideas on operating effectiveness. Their main weakness is that they may be insensitive to the feelings of others and are likely to face difficulty in handling interpersonal relations.

### **Sensation-Feelers**

Managers with these orientations are pragmatic and can deal with the problems they confront in a very systematic fashion. They have the cooperation of the people working for them, and they know how to effectively use available resources rather than “fight the system”. Their main weakness is that they are unable to conceptualise a new scheme of things and hence the status quo may prevail in the system.



## Intuitive-Feelers

Managers who are intuitive-feelers are very effective in group settings where new ideas are to be formulated to move the organisation towards success. The intuitive-feeler managers are also good mentors, developing their subordinates personally and professionally. Their possible weaknesses include their basing certain decisions on personal likes or dislikes rather than on objective criteria, and spending too much time seeking approval from others.

Since each type has strengths as well as weaknesses, it is useful to know our own personality predisposition toward problem solving which will help us to seek organisational settings where we can be most effective. An exercise to understand your own psychological functioning style is offered at the end of the chapter together with a list of possible occupational situations for which each style is likely to be best suited.

It should be noted that the above individual differences in personality predispositions have not included other individual differences such as abilities, aptitudes, skills, educational knowledge and training, and work experience, all of which influence success at work. Nor do they include such demographic differences such as age, gender, and caste which sometimes, due to stereotypes, do not augur well for advancement in organisations.

## Maddi's Models of Personality

Having discussed some of the more significant personality predispositions which account for individual and organisational effectiveness, we can try to understand our own behavioural patterns by examining the essence of Maddi's (1980) personality theory.

Maddi groups all the personality theories that exist, under three categories or models. He proposes the Conflict Model, the Self-fulfillment Model and the Consistency Model. These explain the behaviours of individuals as a function of their seeking to reduce tensions, or attaining intrapsychic (or psychological) rewards, or achieving cognitive consonance, respectively.

### The Conflict Model

The conflict model of personality depicts people to be constantly caught in the grip of two opposing powerful forces. Both the forces could operate within one's self or one of the opposing forces can come from the environment. Supposing I am torn within myself between my sense of duty to my family as a full-time home maker and my very keen desire to pursue my career goals and get deeply involved in my work role outside my home, I am operating under the conflict model where I am trying to resolve two opposing needs I have within me i.e., to be a "good and dutiful" spouse and parent or to be a career person. I will also be operating in the conflict mode if I want to pursue my career and my spouse vehemently opposes the idea. In the first instance, the sources of both the opposing forces which create the conflict or tension in me spring from within myself, whereas in the second instance, the opposing force comes from the external environment outside of me, that is, from my spouse. In either case, I will engage in behaviours that would be geared towards reducing the conflict and tensions that I experience. For instance, in the example cited above, I might bring my mother to stay with me in my house to look after the children and attend to the household affairs which will reduce my guilt about neglecting the home (or help to allay my spouse's concerns) and will allow me to pursue my career. Thus, my behaviour occurs as a tension reducing mechanism in dealing with the conflict I experience.

### The Self-Fulfillment Model

In contrast to the conflict model, the fulfillment model depicts one great, beautiful, positive force within the individual which drives the person either to self-actualise or to reach perfection. The self-actualisation version of the model portrays the individual as fulfilling a grand design; that is, the individual is constantly



striving to think about and reach the very best of his or her potential. Since the process of self-actualisation is never completed (because human potential is unlimited and one can constantly be in the process of self-actualising), the fulfillment model explains behaviour to be motivated because of individuals' search for intrapsychic rewards which are attained as one reaches the different goals one keeps striving for constantly through life.

The perfection version of the model depicts behaviour as oriented towards attaining perfection in one sphere to compensate for one's inadequacies in another area. For example, a handicapped person who has no possibility of excelling in sports may try to compensate for it by being a great scientist engaged in making significant contributions to science through new discoveries. Thus, the fulfillment model explains behaviour in terms of our search for self-fulfillment and perfection.

### **The Consistency Model**

The consistency model is where the person and the environment get most interlocked. All individuals have their own self perceptions of who they are, their abilities and strengths, and their weaknesses and drawbacks. In order to understand whether others perceive them the same way they perceive themselves, individuals seek some feedback from their external operating environment. If the feedback they receive is consistent with their own self perceptions, then they reach a state of equilibrium or internal consistency. However, if they receive feedback which is inconsistent with their self perceptions, it creates cognitive dissonance in them and they strive to either change their self perceptions or the perceptions of others as to who they are, so that they reach some cognitive consistency. Thus, the consistency model explains behaviour as driven by the need to seek consistency and equilibrium. Reducing the inconsistencies between self perceptions and feedback from the environment, not only includes the alternatives of modifying one's self concept and avoiding certain domains of experience so that cognitive dissonance is not felt, but it also encompasses the more irrational techniques of distorting facts and denying aspects of the real world. For instance, in order to reach cognitive consistency, one might conclude that the feedback received is not valid, even though this may not actually be true.

While each of the three models of personality makes sense, it is not difficult for us to trace our own behaviours as emanating from all three models at different times. In other words, we all operate in the conflict model sometimes and our actions are aimed at tension reduction. At least some of us strive to self-actualise or attain perfection and engage in self-motivated behaviours as we search for intrapsychic rewards. Most of us feel the need to seek feedback from our environment to check whether our self perceptions match with how others see us. If the feedback does not match our perceptions, we feel dissonance and our behaviours then tend to get geared towards attaining cognitive consistency by either changing our self perceptions or others' perceptions of us, or distorting perceptions, albeit, in an unconscious manner. Thus, all three models help in explaining behaviours. It will be useful to recognize the predominant mode in which we ourselves tend to operate for the most part.

### **Erikson's Developmental Model of Personality**

A development model of personality described by Erikson (1953) is also useful in understanding the behaviours exhibited by organisational members. Erikson describes eight developmental stages as we grow from childhood to adulthood and the trauma of resolving certain critical conflicts we face at each of these stages. For many of us these issues are not ever completely resolved and we struggle with them throughout life even beyond our adolescence. These problems carry over to the work place as well. The eight developmental stages, the problems encountered at each stage and the parallels drawn to organisational behaviour, are discussed briefly below.

#### **Stage 1: Trust v. mistrust**

As children, we have a great need for dependency, and we develop feelings of trust or mistrust towards our parents depending on how well they have met our needs for dependency. Likewise, in the early stages of



our organisational life, we know very little about our job and are dependent on others for guidance. Whether or not we develop healthy feelings of trust towards others in the organisation at this stage depends on how well they have responded to our needs and helped us to find our place in the system. If they do not respond to our needs, or meet our needs inadequately, we develop a sense of mistrust towards them.

## **Stage 2: Autonomy Vs. Shame and Doubt**

As children we experienced a great need to operate on our own (even to take the first few steps) and whenever we failed to succeed in our endeavours, we experienced a sense of shame and self doubt. Likewise, in our organisational life, after the initial training, we like to operate independently; but if we do the wrong things or make many mistakes, we tend to entertain self doubts about our competency and experience a sense of shame for not doing things right.

## **Stage 3: Initiative Vs. Guilt**

This stage denotes the child's efforts at trying things out on its own initiative and feeling guilty if the wrong kinds of ventures are experimented with. Likewise, organisational members try to use their creative talents as they settle down in their jobs, but if things go wrong, they could experience a sense of guilt that they have wasted the resources of the organisation.

## **Stage 4: Industry Vs. Inferiority**

As we grow up and before reaching the stage of puberty, we are diligently and industriously pursuing our goals of learning and managing our lives. If we succeed in these efforts, we feel good about ourselves, but if we fail, then we develop feelings of inferiority. Likewise, in our organisational life, we try to work hard to find a niche; if we are not successful in our efforts, we tend to develop a low-self-concept and low self-esteem.

## **Stage 5: Identity Vs. Role Diffusion**

As we reach puberty and almost to the end of our adolescence, we experience conflict due to the socially imposed requirement of becoming an independent and effective adult. This, at times, becomes difficult. In the organisational context also, we are expected to make contributions to the institution and establish our identity as high performing members, but this is not always easy for all members to attain. Instead of establishing our identity as valued members, we might become just one more employee whose role identity is diffused rather than identified and distinguished.

## **Stage 6: Intimacy Vs. Isolation**

During young adulthood, need is felt to develop intimate relationships with others. However, it is also awkward to develop such relationships, and hence some of us might feel isolated. In our organisational life also, while we may desire to develop close contacts with significant others in the system, doing so might be difficult for many, who may then experience a sense of isolation in the system.

## **Stage 7: Generativity Vs. Stagnation**

In middle adulthood, there is the socially imposed demand for forgoing one's own immediate concerns in favour of fostering the development and growth of one's offsprings. If this conflict is not resolved effectively within the individual, a sense of stagnation is felt in life. Likewise, in the organisation, as one reaches one's mid career, there is an expectation and need to mentor others in the system and help them to develop and grow in the organisation. If one does not do this effectively, one senses a feeling of stagnation in the system.



### **Stage 8: Ego Integrity Vs. Despair**

From middle adulthood to death, conflict is experienced by individuals as their social and biological roles get diminished due to the aging process and they experience a sense of uselessness. If they come to grips with the issue and resolve the conflict, they can experience happiness by looking at their consolidated life-long achievements. If they cannot resolve this issue, they will experience a sense of worthlessness and despair. The same is true in organisational life where members approaching retirement can either acquire a high sense of self worth as they take stock of their accomplishments or they can leave the organisation with a sense of purposelessness and despair.

Since most of the time the conflicts are not completely resolved, the unresolved issues are carried forward to the subsequent developmental stages. Managers can play a role in identifying the unresolved conflicts and try to help the employees deal with them.

### **Manager's Role in Channelling Tensions**

Tensions are experienced by individuals either because they experience conflict (as in the conflict model), or due to their wanting to reach certain goals and excel (self-fulfillment model), or because they strive to attain cognitive consistency (consistency model). Individuals then try to reduce their tensions and maintain a balance or equilibrium by unconsciously resorting to certain modes of behaviours. There are primarily four ways of maintaining balance. They are: channelling, diverting, repressing, and reversing (Levinson, 1964). By "channelling" their energies towards solving the problem and reducing the experienced conflict, individuals deal with frustrations and tensions in an effective manner. For instance, if a person is not promoted within the organisation as expected, he or she can channel the energies to find another suitable position either in the same or a different organisation. By thus appropriately channelling the energies in the right direction, the individual resolves the conflict by solving the perceived problem.

A less effective way of dealing with the tensions is to "divert" the energies. For instance, if an individual does not get promoted in his job as expected, he might seek another role where, for instance, he can exercise more authority. He can then experience some satisfaction from doing something that is perceived to be more important than what he is currently doing. Thus, even though he may not attain his goal of promotion, he might still get rid of a lot of his tension by diverting his energies to another field of endeavour which is reasonably satisfying. This behaviour considerably reduces the experienced tensions. A third way in which individuals deal with tensions is through "repression", that is, they deny that any problems exist at all. Repressing is dysfunctional because blocking out reality does not release the tensions experienced by the person in the long run. As a consequence, the individual will exhibit dysfunctional behaviours in other ways since he or she has not dealt with and resolved the original tensions. The most dysfunctional coping mechanism, however, is "reversing", that is, turning against one's self. In its worst form, reversing can result in suicide. For a poignant story on the four modes of maintaining balance, refer to "What Killed Bob Lyons" (Levinson, 1964).

By paying close attention to the personality characteristics of individuals and being sensitive to the stage of their development in their organisational life, managers can try to help employees to channel or direct their energies when facing tensions rather than letting individuals resort to repression or reversal. Managers can also try to fit the environment that individuals operate in to mesh with the needs and personality predispositions of individuals, whenever possible. Thus, by understanding some significant dimensions of personality, managers can help employees to experience a better quality of life.

### **Desired Personality Characteristics for Effective Managers**

Obviously, there are some personality predispositions which are conducive to managerial effectiveness and to the success of managers. Apart from possessing the necessary skills and abilities, managers need to develop a high tolerance for ambiguity. Since many factors in any given complex situation are unknown, especially when there are many changes taking place in the internal and/or the external environment of the organization, managers need to be able to handle situations as they come, without experiencing undue



stresses. Thus, a high tolerance for ambiguity is a desired managerial trait. Managers with a good mix of achievement, affiliation, and power needs will be successful in most situations since they will have the drive to achieve the goals and the interpersonal orientation to get the job done through others. In sales and other people-oriented roles, extrovert managers will fit better in their jobs, and managers with internal locus of control will be better performers. Managers with good work ethic values, compared to those who do not have them, will get more involved in their jobs and make things happen, and are likely to be more successful in their jobs. Managers with Type A personalities may suit very well for some jobs which have inbuilt performance pressures and deadlines, but they need to know how to relax through exercises and self-monitor their stress levels as described in Chapter 7. The psychological types and their effectiveness in various occupational roles are provided at the end of the chapter which are also useful for deciding where different types of managers would fit best.

Personality is a relatively stable factor, but our predispositions can be changed through conscious choice. For instance, our tolerance for ambiguity and ability to handle stress can be considerably enhanced; the attributions we make for success — internal versus external locus of control — can be changed; our latent needs activated; and our skills in decision making increased through training programmes and by deliberately making the changes necessary for being successful in our jobs. Recognizing the essential ingredients for managerial success is the first step towards making the changes.

## Summary

In this chapter we described personality as a complex construct and examined some factors that shape personality. We discussed certain critical dimensions of personality that influence work behaviours. We examined Maddi's three models of personality and Erikson's developmental stages of personality which have some relationship to the career stages of individuals in organisations as they affect the behaviours of employees. Finally, we saw how managers can help employees by understanding the effects of personality on behaviour and coping mechanisms. In the next chapter we will examine perceptual processes and how managerial functions and behaviours are influenced by personality predispositions.

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## Discussion Questions

1. What is meant by the core and periphery of personality? Identify some core characteristics and some peripheral ones.
  2. Describe in some detail the determinants of your own personality, giving specific examples.
  3. Describe the concepts of Need Patterns, Locus of Control, Introversion and Extroversion, Tolerance for Ambiguity, Authoritarianism and Dogmatism, and Machiavellianism. On a scale of 1 to 5, 1 being very low on the scale and 5 being very high, where would you put yourself on each of these personality dimensions?
  4. What are the advantages and disadvantages of employing Type A personalities and workaholics in organisations?
  5. After taking the problem solving test at the end of the chapter, how would you describe your style? Describe in detail some of the dynamics that would occur if you were to interact with someone who is diametrically opposite to your orientation. For example, if you are an intuitive-feeler, how would you interact with a sensation-thinker?
  6. Describe Maddi's models of personality. Which of the three models do you most frequently operate in? Try to explain that model in terms of some of your personality predispositions in response to question 3?
  7. How does understanding Erikson's developmental model help managers in organisations?
  8. Describe the four ways in which people try to handle tensions and maintain equilibrium.
-



## Problem Solving Profiles<sup>1</sup>

Respond to the following items as required. There are no right or wrong answers.

PART I. Circle the response that comes closest to how you usually feel or act.

1. Are you more careful about:
  - A. people's feelings.
  - B. their rights.
2. Do you usually get on better with:
  - A. imaginative people.
  - B. realistic people.
3. Which of these two is the higher compliment:
  - A. a person has real feeling.
  - B. a person is consistently reasonable.
4. In doing something with many other people, does it appeal more to you:
  - A. to do it in the accepted way.
  - B. to invent a way of your own.
5. Do you get more annoyed at:
  - A. fancy theories.
  - B. people who don't like theories.
6. It is higher praise to call someone:
  - A. a person of vision.
  - B. a person of common sense.
7. Do you more often let:
  - A. your heart rule your head.
  - B. your head rule your heart.
8. Do you think it a worse fault:
  - A. to show too much warmth.
  - B. to be unsympathetic.
9. If you were a teacher, would you rather teach
  - A. courses involving theory.
  - B. fact courses.

PART II. Which word in the following pair appeals to you more? Circle A or B.

10. A. compassion  
B. foresight
11. A. justice  
B. mercy
12. A. production  
B. design
13. A. gentle  
B. firm
14. A. uncritical  
B. critical
15. A. literal  
B. figurative
16. A. imaginative  
B. matter-of-fact

## Scoring Key

This key is to be used to diagnose your responses to the questionnaire. Count one point for each response on the following four scales. Then, total the number of points recorded in each column. Instructions for classifying your scores are indicated below.

Sensation	Intuition	Thinking	Feeling
2B	2A	1B	1A
4A	4B	3B	3A
5A	5B	7B	7A
6B	6A	8A	8B
9B	9A	10B	10A
12A	12B	11A	11B
15A	15B	13B	13A
16B	16A	14B	14A

<sup>1</sup> From Slocum and Heuriegel, "A Look at How Managers' Minds Work", *Business Horizons*, July-August 1983, 58-68.



## Classifying Total Scores

Write intuitive if your intuition score is equal to or greater than sensation score. Write sensation if sensation is greater than intuition.

Write Feeling if feeling is greater than thinking.  
Write Thinking if thinking is greater than feeling.

When Thinking equals Feeling, you should write Feeling if a male and Thinking if a female.

## Personality Types

*Sensing Managers* take in information through their senses and attend to the details of the problem. They like to solve problems in standard ways. They are patient with routine details and are precise in their work. They distrust creative inspirations and usually work all the way through to reach conclusions. They emphasize action, urgency, and bottom-line results.

*Intuitive Managers* like solving new problems and are impatient with routine details. They perceive the problem in its totality and consider several alternatives simultaneously. They are imaginative and futuristic, enjoying mind-testing games.

*Feeling Managers* heavily emphasize the human aspects in dealing with organizational problems and are more process oriented. They enjoy pleasing people and avoid conflicts.

*Thinking Managers* are logical and analytical in their problem solving and search for additional information in a logical manner.

*Intuitive Thinkers (NT)* are the architects of progress and ideas. They are interested in the principles on which the organization is built and seek answers to the "whys" of events. They have enormous drive and are creative.

If organizations do not have some NTs, change will be minimal.

Possible Weakness:

NTs may not always be aware of the feeling of others. Unless subordinates are intellectually competent, they may not be considered valuable. They expect a great deal of themselves and others and tend to escalate standards.

*Sensation Feelers (SF)* deal with concrete problems in a methodical way. They have astute powers of observation regarding the details of how an organization is run. SFs do not fight the system, but use what is available for problem solving. SFs are non-judgmental of their co-workers and do not look for underlying motives and meanings in people's behaviour.

If organizations do not have SFs, small problems will go unattended till they become big.

Possible Weakness:

SFs may be reluctant to accept new ideas and are impatient with abstract theories. They react adversely to radical changes. They have difficulty honouring commitments and decisions made in the past since they live fully in the present moment.

*Sensation Thinkers (ST)* are decisive and excellent at decisions involving precise interpretations of facts and figures. They are persevering and precise. They want the organization run on an impersonal basis. They are hard working and super dependable.

Organizations run efficiently because of such managers.



#### Possible Weakness:

STs cannot tolerate delays due to complications. In periods of rapid changes they still cling to rules and procedures which is dysfunctional. When dealing with others, STs may not accurately perceive the interpersonal process. They withhold rewards unless fully deserved by others.

*Intuitive Feelers* (NF) have personal charisma and commitment to the people they lead. They communicate their caring and enthusiasm. They are comfortable in an unstructured, group-centered management system that lets employees participate in the decision-making process.

Without NFs an organization will become cold, sterile and dull.

#### Possible Weakness:

NFs may make decisions on the basis of personal likes and dislikes. They often try to please others all the time.

### Some Occupational Choices of Different Personality Types<sup>2</sup>

#### Sensation-Feelers

Craftsmen  
Computer Science Support Staff  
Designers  
Doctors  
Engineering and Science Technicians  
Healthcare Therapists  
Journalists/Writers  
Judges  
Managers and Administrators  
Media Specialists  
Nursing Administrators  
Pharmacists  
Rehabilitation Counselors  
Restaurant Managers  
Sales Representatives  
Social Scientists  
Store Keepers  
Teachers

#### Sensation-Thinkers

Actors  
Certain types of Administrators  
Clinical Lab Technologists  
Counselors in general  
Editors and Reporters  
Engineers  
Occupational Therapists  
Office Machine Operators  
Photographers  
Receptionists  
School Teachers  
Speech Pathologists

#### Intuitive-Feelers

Aeronautical Engineers  
Artists and Entertainers  
Co-ordinators  
Computer Specialists  
Detectives  
Lifeguards  
Managers and Administrators  
Musicians and Composers  
Physical Scientists  
Psychologists  
Research Scientists  
Therapists  
Writers

#### Intuitive-Thinkers

Chemical Engineers  
Computer Programmers  
Counselors  
Electric and Electronic Technicians  
Doctors of Medicine  
Managers  
Marketing Personnel  
Mechanical Engineers  
Musicians and Composers  
Protective Service Workers  
Psychologists  
University Teachers

<sup>2</sup>From Myers, I.B., and McCaulley, A *Guide to the Development and Use of the Myers-Briggs Type Indicator*, Palo Alto: CA, Consulting Psychologist Press, 1985.



# 4

## Perceptual Processes and Developing Perceptual Skills

Perception is not just what one sees with the eyes. It is a much more complex process by which an individual selectively absorbs or assimilates the stimuli in the environment, cognitively organizes the perceived information in a specific fashion, and then interprets the information to make an assessment about what is going on in one's environment. Thus, perception can be defined as *the process through which people select, organize, and interpret or attach meaning to events happening in the environment*. Since perception is a subjective process, different people may perceive the same environment differently based on what particular aspects of the situation they choose to selectively absorb, how they organize this information, and the manner in which they interpret it to obtain a grasp of the situation. Thus, the subjectively perceived "reality" in any given setting may be different for different people. Managers should sharpen their perceptual skills so that they are as close to perceiving people, events, and objects as they truly are. When "misperceptions" occur due to perceptual errors and distortions, managers are bound to make poor or improper decisions. By understanding the perceptual process managers can enhance their own perceptual skills. By becoming aware of the fact that their actions are likely to be misperceived by others in the system, they also acquire a greater appreciation for clarifying matters and communicating better with others.

### Factors Influencing the Perceptual Process

We can take an input-throughput-output approach to understanding the dynamics of the perceptual process. The stimuli in the environment — be they objects, events, or people — can be considered as the perceptual inputs. The actual transformation of these inputs through the perceptual mechanisms of selection, organisation, and interpretation can be treated as the throughputs, and the resultant opinions, feelings, values, and attitudes, which ultimately influence our decisions and behaviours, can be viewed as the perceptual outputs.

Several factors influence how we process the perceptual inputs and transform them into outputs. Some of these relate to the properties or characteristics of the stimulus or stimuli, some relate to certain factors in the situation one finds oneself in, and yet others are a function of the personality of the perceiver. These variables which are discussed further, are depicted in the Perceptual Process Model in Figure 4.1.

### Perceptual Inputs

Perceptual inputs encompass all stimuli that exist in our environment including people, events, objects, information, conversation, etc. In other words, everything in the setting where events occur or which contribute to the occurrence of events can be termed "perceptual inputs".



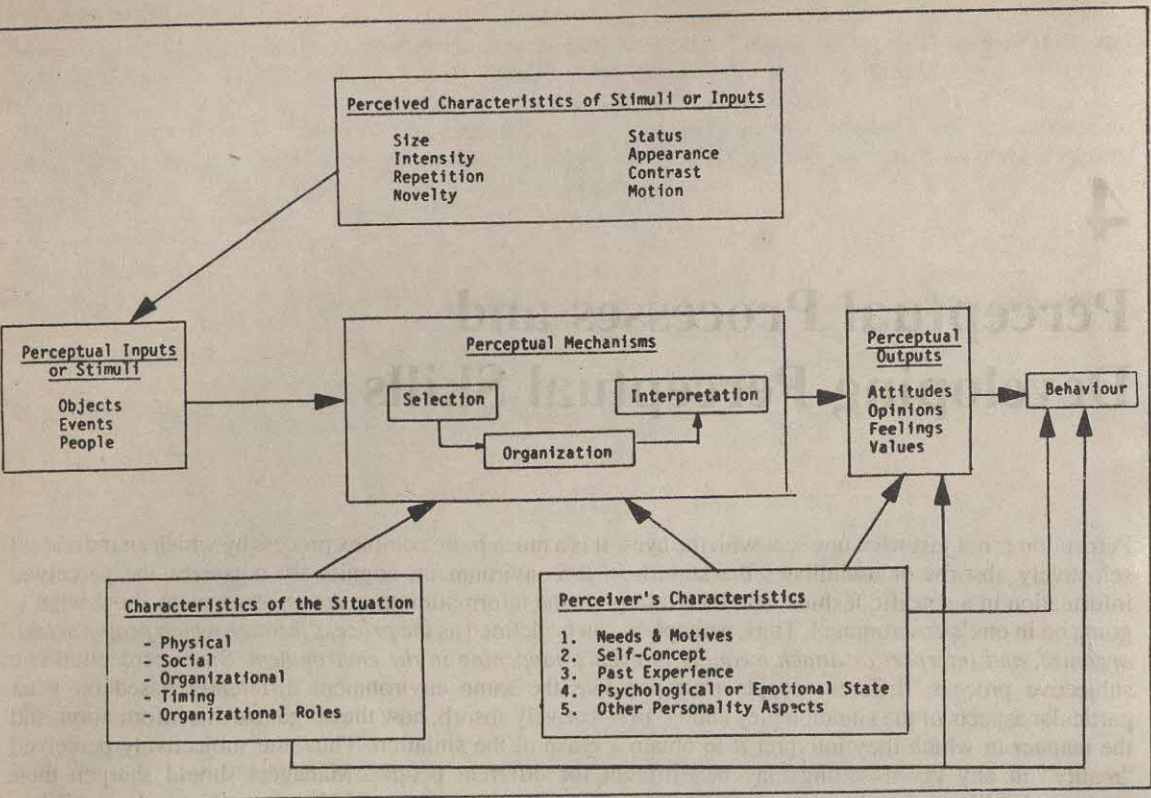


FIG. 4.1 A Model of Perceptual Process

Perceptual Throughputs

Perceptual throughputs or the transformation of perceptual inputs to outputs, involves the three processes of selecting, organizing, and interpreting the stimuli that are in the environment. Though all individuals go through the same three steps while transforming the perceptual inputs to outputs, they differ in *how* they select, organise and interpret stimuli based on their own personality predispositions and biases. Situational factors and certain characteristics of the stimulus also influence how we select, organise, and interpret information and events. Quite often we selectively perceive certain things and ignore others.

Selection

Many things exist and happen in our environment all at once. For instance, as you are studying at home, your younger brother may be crying, the vegetable vendor may be shouting, the telephone may be ringing, and your sister may be entering your room with a cup of hot aromatic coffee. Obviously, you cannot pay equal attention to all these happenings! You have to be selective and decide what should get your attention first. If you have been waiting for your coffee for quite some time, you will probably notice your sister bringing in the coffee first, and grab the coffee and drink it. If, on the other hand, you have been waiting impatiently for a telephone call to hear about a job offer, you will probably run to the telephone ignoring all the other things including your sister and the coffee that she is fetching! Thus, there is a process of



selection that takes place first before we decide which aspect of the environment is going to receive our attention, how we are going to make sense of what is going on, and how we should handle the situation. It is this discriminating selection process that helps us to operate effectively in our daily lives.

### *Selective Perception*

The tendency to perceive only certain aspects, ignoring the other things that exist in the environment, is called "selective perception". That is, since it is not possible for us to absorb everything in the environment surrounding us, individuals usually tend to notice such things as are of interest to them and which they *want* to see. For instance, in a theatre where scores of children are performing a group dance, a mother will have no difficulty whatsoever in instantaneously spotting her two children and focusing all her attention on the movements and gestures of these two in the midst of all the other children.

Selective perception also takes place when certain stimuli catch our attention because of some striking characteristics they possess, such as bigness or beauty. Thus, both the perceiver's own biases as well as certain characteristics of the stimulus can result in selective perception.

*Characteristics of the Stimulus Input* Characteristics such as size, intensity, repetition, novelty, status, appearance, contrast, and motion seize our attention. For instance, we would certainly tend to observe: (1) an unusually obese person amidst a group of people (size); (2) a strong beam of light suddenly flashed at us (intensity); (3) something that is repeatedly exposed to us such as a particular signal or number (repetition); (4) something we might have never seen before such as a child prodigy (novelty); (5) someone of high status as, for example, the head of the department (status); (6) a very handsome, attractive person (appearance); (7) something that is contrasting to what we are used to — a green rather than a black chalkboard (contrast), and (8) a moving, as opposed to a stationary, object (motion). Thus certain characteristics of the stimulus have an impact on what we selectively perceive.

### *Organisation*

Having selectively absorbed data from the range of stimuli we are exposed to at any given time, we then try to organize the perceptual inputs in such a manner that would facilitate us to extract meaning out of what we perceive. Thus, while selection is a subjective process, organising is a cognitive process.

How we organise the stimuli is primarily based on the principles of "figure and ground", grouping, simplifying, and closure.

*Figure and Ground* We tend to organize information on what is known as the figure-ground principle. This simply implies that the perceived object or person or event stands out distinct from its background and occupies the cognitive space of the individual. For instance, as you read this page, you see white as the background and black as the letters or words to be read. You do not try to decipher what the white spaces amidst the black letters could mean! Likewise, in the organisational setting, some people are more noticed or "stand out" than others. For example, during the probationary period, an individual might tend to focus complete attention on his immediate supervisor, trying to please him and be on his good books, completely ignoring how his colleagues feel about him or his performance! The perceiver thus tends to organise only the information which stands out in the environment which seems to be significant to the individual.

*Grouping* Grouping is the tendency to club individual stimuli into meaningful patterns. For instance, if we perceive objects or people with similar characteristics, we tend to "group" them together, and this organising mechanism helps us to deal with information in an efficient way rather than getting bogged down and confused with too many details. As an example, if we happen to find two Germans, a Frenchman, three Englishmen, four Americans and a Swiss attending a music concert by Ravi Shanker in the Shanmukhananda Fine Arts Society auditorium, we would tend to cognitively organise this information as "several foreigners attended the performance". We might later interpret this to mean that Ravi Shanker has universal appeal. This conclusion (whether or not warranted) has been quickly arrived at because we efficiently organised several pieces of information, that is, two Germans, one Frenchman, etc., conveniently



*grouping* them under foreigners, without getting unnecessarily involved in the details of how many of each category was present.

*Simplifying* We also tend to simplify what we selectively perceive. For instance, when people are overloaded with information, they decide which pieces of data are more central to the issue at hand and deliberately leave out all other data which they consider irrelevant or peripheral to the situation and to their decision-making. Likewise, given a complex case study for analysis, you will first try to identify the important aspects that are central and critical to the case, and thus simplify what would otherwise seem to be a complex set of data which are difficult to handle. If you don't do this, you will be overloaded with information and get confused about how to proceed with the case analysis. In other words, the information will be too much for you to deal with in an effective manner. We thus have a tendency to consciously simplify the perceived stimuli when we organise them cognitively into some pattern which would make sense to us.

*Closure* Since complete information is seldom available to us in most situations, we feel the need to fill in the missing pieces on our own and bring the matter to a "closure". For this purpose, we might rely on past data or on our hunches. For example, when managers have to make promotion decisions they may or may not have complete information as to the employees' inclinations or capability to continually apply themselves towards achieving excellence in performance. The manager might then conclude that since any particular employee has (or has not) continuously performed well during the past say, five years, he or she will (or will not) continue to do so. This brings the perceptual organisation to some kind of a rational order and closure, forming the basis for managerial decisions which the decision-maker can live with rather comfortably.

Thus, perceptual organisation involves the processes of cognitive grouping of similar objects (or events or persons), simplification, and closure using the figure-and-ground principle.

### *Interpretation*

The perceptual inputs that have been organized on the above bases will have to be interpreted by the perceiver so that the individual can make sense and extract some meaning of what is going on in the situation. Without such interpretation, everything would appear meaningless. People interpret the meaning of what they have selectively perceived and organised in terms of their own assumptions of people, things, and situations. They make attributions while interpreting data. Individuals also tend to be judgemental and distort information while interpreting events. In other words, people bring in their own subjective feelings, opinions, and emotions, and try to fit the "meaning" of what they perceive to their own biases. Thus, an otherwise rational individual may completely distort what is happening in a particular organisational situation if he or she is emotionally involved in what is going on in the situation. For instance, an employee might perceive his supervisor as "victimising" him by repeatedly insisting that he complete a job within the next 24 hours. Since the supervisor and he have not been on very friendly terms during the past two months the employee might feel that the supervisor is "out to get him", whereas in fact, the supervisor might simply be anxious to deliver the goods to the customer in a timely manner as originally promised! Thus, in interpreting the stimuli, our subjective feelings, emotions, biases, and attributions may come into play.

In the process of interpreting, we tend to become *judgemental* as well. That is, we judge the people and events in the situation and use labels such as good/bad, right/wrong, wonderful/ugly, wise/senseless, etc., to describe them. We also tend to *distort* what we see and sometimes even *ignore* things that are unpleasant to us. Thus, subjectivity, judgemental attitudes, distortions, or totally ignoring some stimuli could very well bias our interpretation of the data that we selectively perceive and organize conveniently to suit our cognitive preferences. Our perceptions, then, could not possibly reflect the reality in most situations! In order to make sound decisions, managers should be aware of the possible factors that could adversely influence the perceptual process and learn how to overcome them.



## Factors Influencing the Perceptual Throughput Process

How we perceive, organize, and interpret information depend very much on the characteristics of the stimuli (as already discussed), characteristics of the situation, and some of our own personality characteristics as well (see Figure 4.1). We will now discuss the situational and personality characteristics that influence the perceptual process.

### *Characteristics of the Situation*

The physical, social, and organisational settings in which an event occurs, as well as the timing of events, can influence how we interpret stimuli. For instance, if a subordinate is late coming to a party that I have at my house, I will tend to totally ignore her tardiness and treat her like an important guest. On the other hand, if she is late coming to work on a day when she knows that she has to give me some important statistical data that the head of the department wants by 10.30 a.m., I would interpret her behaviour as irresponsible and totally callous. I may even go to the extent of attributing maliciousness to her, especially if I have the feeling that she dislikes me or does not care much for me!

Thus, the location of an event, the social context in which it takes place, timing, and the roles played by the actors play a significant part in how we interpret information.

### *Characteristics of the Perceiver*

A person's needs and motives, the individual's self-concept, past experience, current psychological state, and certain other personality traits influence the perceptual process. Let us briefly discuss these.

**Needs and Motives** Our need patterns play an important part in how we perceive things. For instance, if we have a high need to obtain more resources, we may tend to interpret a financial director's statement that "the budget is rather tight", to mean that he is indicating to us that there is no chance of our ever getting the amount of money we need for our project. On the other hand, if we are not in immediate need of extra resources, we might interpret the same statement to mean that though the budget may be somewhat tight right now, things will definitely ease up in the future and we will be able to successfully complete our project. Likewise, if we show people a picture of two men talking and ask them to weave a theme around it, people with a high need for achievement will relate what they see in the picture differently than people with a high need for affiliation or people with a high need for power. The first group might conjure up the theme that the two people are trying to work out the best possible way to expand their company operations (achievement-oriented interpretation), the second group might state that the two people are having a friendly conversation talking about their families (affiliation-oriented perception), and the third group might interpret the scenario as two men having a power struggle (power-dominated perception)! Our needs and motives thus play a big part in the perceptual process.

**Self-Concept** Self-concept connotes how we perceive ourselves which then influences how we perceive others and the situation we are in. If we perceive ourselves as lacking in competence, then we perceive the world as threatening; if on the other hand, we perceive ourselves as capable and accept ourselves as we are, we are more likely to see others in a favourable light. The more we understand ourselves (that is, the more accurately we describe our own personal characteristics), the more we are able to perceive others accurately (Norman, 1953). Our idea of who we are, that is, our self-concept, thus influences how we perceive others and the environmental factors. Perceiving ourselves accurately and enhancing our self-concept are factors that enhance accurate perception.

**Past Experience** Our past experiences mould the way we perceive our current situation. For example, if you have had problems responding to exam questions in the past, you will tend to perceive even simple, straightforward exam questions as tricky. Likewise, if in the past we have been betrayed by a couple of friends, we would tend to distrust any new friendships that we might be in the process of developing. If, in



the past, an individual has been helpful to us, we would interpret his presence to mean that he is willing to help, even though he might not be inclined to help us at all this time! Thus, our perceptions are often guided by our past experiences and what we expect to see.

**Current Psychological or Emotional State** If an individual is depressed, he or she is likely to perceive the same situation differently than if the individual is elated. If a person has been scared out of her wits by seeing a snake in the garden, she is likely to perceive a rope under the bed as a snake. If you are called into your boss's office, you will perceive it as a prelude to promotion or being fired, depending on what transpired between you and the boss during the recent performance appraisal. Thus, the emotional and psychological states of the individual are also likely to influence how things are perceived.

**Other Aspects of Personality that Influence Perceptions** Costello and Zalkind (1962), and Hamacheck (1971) indicate the following relationship between personality factors and perceptions:

1. Secure people perceive others as warm individuals (rather than as cold and indifferent people).
2. Thoughtful individuals do not perceive situations in terms of "black and white" but understand that there can be different shades of gray. Hence, they do not make judgements based on single pieces of evidence.
3. Self-accepting people perceive others as liking and accepting them. Those who are not self-accepting tend to distrust others.
4. Self-accepting persons also accept others easily, which is not true of those who are not self-accepting.
5. People tend to perceive others more accurately when they are more like the ones that they are perceiving than if they are different from those who are being perceived.

What do the above mean? Insecure, thoughtless, or non self-accepting persons are less likely to perceive themselves and those around them accurately. They will, in all likelihood, distort, misrepresent, or in other ways defensively perceive situations. This will have an impact on the perceptual outputs, that is, their resultant opinions and attitudes towards the situation. These, in turn, will influence their behaviours which will be reflected in incorrect decision-making and managerial ineffectiveness.

## Perceptual Outputs

Perceptual Outputs encompass all that result from the throughout process. These would include such factors as one's attitudes, opinions, feelings, values, and behaviours resulting from the perceptual inputs and throughputs. Perceptual errors adversely affect the perceptual outputs. The lesser our biases in perception, the better the chances of our perceiving "reality" as it exists, or at least perceiving situations with the minimum amount of distortions. This will help us to form the right attitudes and engage in appropriate behavioural patterns, which in turn will be beneficial for attaining the desired organisational outcomes. It is especially important for managers who are responsible for organisational results to enhance their perceptual skills in order to develop the right attitudes and behaviours.

## Relationships among Values, Attitudes, and Perceptions

Interestingly, values and attitudes shape our perceptual processes, and are in turn shaped by how we perceive things. *Values* represent an individual's standards or ideals about what a person, object, event, or activity ought to be. For instance, we expect that people "should" be honest, parents "ought" to guide their children, children "must" look after their parents, and so on. If these standards or ideals are not met, then we tend to use labels such as bad, awful, and wicked to describe the people or the events. Thus, values denote our sense of right and wrong, good and bad, and other judgmental criteria based on our strong sense of what the ideal ought to be. Values are relatively strongly embedded in people from early life and are not easily changed.

*Attitudes* can be defined as an individual's feelings about or inclinations towards other persons, objects, events, or activities. Attitudes encompass such affective feelings as likes and dislikes, and satisfactions and



dissatisfactions. Our needs, past experiences, self-concept, and personality shape the beliefs, feelings, and opinions we hold towards the perceived world. Once we have formed our likes and dislikes, we generally cling on to them and find it difficult to change our attitudes, unless we make a conscious and determined effort to do so.

An interesting phenomenon is that our values shape our attitudes. For example, if I feel that employees must have strong work ethic values and should be hardworking (my ideal of what employees ought to be, that is, my values), and if I find someone is taking coffee breaks frequently, I will have a tendency to perceive the individual as a "shirker" (my perception) and then I will dislike the person (my attitude). Thus, the linkages among values, attitudes, and perception are strong and it is important for us to understand and trace the linkages so that our values, perceptions, and attitudes do not adversely or incorrectly reinforce each other. Let us see some examples of how the three variables interact.

If I tend to believe that everyone must try to get a good education (my value) I will, in all probability, like an individual who is putting herself through college even as she is working full time, (that is, my attitude towards the individual will be good). I am then also likely to perceive her as a "hardworking and painstaking" person (perception). If she makes a few mistakes at work, I might tend to treat them as "human" errors. This perception might in turn, make me feel more protective of the individual and give her more guidance and help (my behaviour) so that the errors do not recur. If, on the other hand, the same individual, having opportunities to improve her educational qualifications and advance in the organisation (say, the institution sponsors and pays her fees), makes no attempt to educate herself, I might perceive her as lazy. I might then tend to see her mistakes as "careless" and make the judgement that she is "no good", and "such mistakes should not be occurring"! Perceiving her as either callous or incapable, I might come to the conclusion that she is a worthless employee. This kind of an attitude will make me more sensitive to the additional small mistakes she may make in the future. I might then wait for an opportunity to get rid of her (behaviour). Thus values, attitudes, and perceptions influence each other; attitudes shape and are shaped by our perceptions; our values also shape our perceptions.

To take another example, if I feel that romantic relationships between office employees are "bad" (my value judgement), then I might totally disapprove of a young man and woman going out for lunch together. If they persist in going, I might tend to label them as "immoral employees" and consciously or unconsciously be inclined to dismiss one or both of them on some pretext. Then I will tend to selectively perceive only the errors that they commit! In the process, I might be losing one or both valuable employees.

Hellreigel, Slocum, and Woodman (1986) adapt the scheme of Coffey, Athos, and Raynolds (1975) in capturing the five stages in the perceptual process and highlight the following:

1. The "observation" phase depicts the environmental stimuli being absorbed by the five senses of the perceiver;
2. The "selection" of the stimuli for further consideration is governed both by factors external to the perceiver, such as the characteristics of the stimulus, and internal to the individual, such as the personality predispositions and motivations of the perceiver;
3. In the "organizing" stage the perceiver is influenced by figure and ground, grouping, and several perceptual errors such as stereotyping, halo effects, projection, and perceptual defense (described later);
4. The "interpretation" stage is governed by the perceiver's assumptions of people and events and attributions about causes of behaviour; and
5. The response of the perceiver takes on both covert and overt characteristics. Covert responses will be reflected in the attitudes, motives, and feelings of the perceiver, and overt responses will be reflected in the actions of the individual.

### Biases Contributing to Misperceptions

In perceiving the stimuli in our environment, we are likely to make at least seven types of errors, some of which have already been mentioned. They are: stereotyping, halo effects, selective perceptions, attributions, distortions, projections, and placing credence on self-fulfilling prophecies. Each of these errors is dysfunctional for good decision-making and management.



**Stereotyping** Stereotyping is the tendency to perceive an individual as belonging to a single class or category and hence attributing favourable or unfavourable characteristics to the individual based upon a widely held generalisation about the group. For instance, we may assume that an older person is traditional, conservative, and cranky (or experienced, wise, and kind). But not every elderly person fits into this mould and hence we are likely to make errors of judgement. Sex-role stereotypes and age stereotypes often adversely affect recruitment, pay, job placement, and promotion decisions, as a result of which, organisations frequently lose good employees and profits suffer (Sekaran, 1986). It should, however, be borne in mind that valid or "accurate" stereotyping is functional inasmuch as it helps us to group and categorise people, objects, incidents, and events which helps us to manage things or make decisions in an efficient manner. For instance, it is useful for educational decision-making purposes to stereotype students coming from rich families to be more able to afford to pay higher college fees than those coming from poorer families.

**Halo Effect** Halo effect is the tendency to perceive all the attributes of a person in a similar manner, based on one characteristic or trait of the individual. For instance, if a woman is kind, she may also be perceived as good, able, helpful, cheerful, nice, intelligent, and so on. On the other hand, if a man is abrasive, he may also be perceived as bad, awful, unkind, aggressive, harmful, deceitful, and wicked. Halo effects, whether they be in the positive or negative direction, cloud our perceptions and act as a screen blocking us from actually perceiving the trait that is being judged (Zalkind and Costello, 1962). Wrong decisions can easily occur because of the halo effects in perceptions.

**Selective Perceptions** Because of our human limitations, and defense mechanisms, we often tend to single out certain aspects of the environment to become a significant part of our perceptual inputs. Generally, these are the ones that tend to reinforce our values and beliefs, and match our need patterns. Given the same business situation, for instance, the production manager in an organisation is likely to identify the need to strengthen the production system, the marketing manager will express the need for more marketing research, the sales manager will point out the necessity for recruiting more salespersons, and so on. That is, we selectively perceive those aspects in the situation which fit into our repertoire of knowledge, need patterns, and value systems. The simplest way of avoiding hasty or wrong decisions being made due to selective perceptions is to seek other people's perceptions of "reality" in the same situation in order to make a better assessment of the situation.

**Attribution** Attribution refers to how a person tries to understand behaviour or events by interpreting them as caused by certain other factors. In other words, the person tries to explain why something happened or someone behaved in a particular way. Our perceptions of what is happening in the environment depend very much on the attributions we make. For example, if I attribute an error made by my subordinate, to reasons beyond his control, that is, factors external to him such as bad equipment, my perception of him and his work will be different than if I attribute his error to his own gross negligence. My behaviours, based on my perceptions, would also then vary depending on the kind of attribution I make. If I attribute the error due to external factors beyond the control of the employee, I might perceive the employee as capable and trustworthy and help the individual as much as I can. On the other hand, if I attribute the error to the employee's negligence (internal factor), I would perceive the employee as irresponsible and try to get rid of the person. It is quite possible that the employee in the first situation really did not deserve the second chance and the one in the second situation did! Thus, incorrect decisions are possible based on erroneous attributions resulting in misperceptions.

**Distortions** Because certain things might be threatening to us and our self-concept, we might use some perceptual defense mechanisms and either distort what we see or even totally avoid seeing what actually exists. Defensive behaviour occurs when people encounter data or receive information which is incongruent with their self-concept. For example, if I consider myself to be an excellent instructor (my self-concept) and if students' evaluation of me does not reinforce my self-concept (their rating of me is low), I might either convince myself that it is only a very small group of students that did not rate me highly (possible distortion of facts) or tend to believe that something is wrong with this batch of students, or students at this University,



etc., and totally ignore the negative feedback. The greater the degree of perceived threat to a person's self-concept, the greater the likelihood of a defensive response to perceived data, and hence the greater the degree of possible distortion or denial (Cohen, Fink, Gadon, and Willits, 1984).

The problem with defensiveness is that when perceptual errors occur, responses to problem situations are not made appropriately, and bad judgement and incorrect decisions result. If the defenses are not broken, the manager ceases to learn and grow on the job and hence continues to be ineffective (Cohen et al., 1984).

**Projection** When one's own personal attributes are assigned to others, then projection takes place. For instance, if a manager has problems dealing with an employee from another country (because of his discomfort with foreigners due to their different background) he might give the employee the feedback during the appraisal process that the employee "has an ethnic chip on his shoulders". Or a manager who has problems dealing with women employees might project on to the female employee "feminist tendencies". A manager who loves challenging work might assume that all others like challenging work too. Many times, this is not true, and the manager who tries to enrich all the jobs for the employees, might be concentrating on the wrong motivational technique for the employees! Thus, managers should guard themselves against perceptual biases through projection.

**Lending Credence to Self-Fulfilling Prophecies** Self-fulfilling prophecy is the process by which we try to fit our attitudes, beliefs, and expectations to reality. What we perceive could then be governed by what we expect to find. For instance, if I believe that women are not "assertive and strong" leaders, then, I will tend to concentrate on how vehemently and loudly a woman manager puts forth her ideas. When I see that most of the time her subordinates do not readily accept her ideas but discuss them extensively before they are implemented, it reinforces my belief that women cannot effectively lead others. In my enthusiasm to prove myself right, I have tended to ignore the fact that her department produces the best results and therefore she must be doing "something right" as a leader. The thought then never occurs to me that leadership is a process of influencing others to get the job done, and there are more ways of leading people than being "aggressive, loud and forceful" which is the way I have defined the leader. Thus, when I am not aware of the snare of self-fulfilling prophecies and their adverse influence on perceptual processes, I may make errors of judgement, not reward the right persons, and turn people off — all of which will have the potential to result in dysfunctional consequences.

## Honing Perceptual Skills

Perceptual skills can be enhanced by (1) knowing and perceiving oneself accurately; (2) being empathic; (3) having positive attitudes; (4) enhancing one's self-concept; (5) making a conscious effort to avoid the possible common biases in perception; (6) communicating with employees to erase incorrect perceptions; and (7) avoiding attributions.

### Knowing and Perceiving Oneself Accurately: Removing Blind spots

As discussed earlier, one of the ways in which we can perceive others and situations accurately is by knowing, perceiving, and understanding ourselves accurately. The best way of achieving this objective is to obtain information on how others perceive us from as many sources as possible — superiors, peers, subordinates, and other colleagues. In this context the Johari Window which is explained below comes in handy as a model for enhancing self-understanding.

**The Johari Window** Joe Luft and Harry Ingham developed the Johari Window (Johari representing the combination of their first names). As shown in Figure 4.2, they indicate that there are four parts in all of us — the public area, the blind area, the private or secret area, and the unknown or dark area (Luft, 1970). These are also referred to as the "open self", the "blind self", the "hidden self" and the "undiscovered self" (Luft, 1961). As can be seen from the figure, there are parts of us which are known to ourselves (characteristics we are aware of) and there are other parts of us that we do not know. Likewise there are



some aspects and characteristics about us that others know and there are certain others aspects that other do not know about us. Thus, we can compartmentalize ourselves in a  $2 \times 2$  matrix. What is known to us and to others is the *public area* (the open self). For instance, I might know that I am a very competent person, and others might also recognise that I am. Thus, this piece of information about me is public knowledge—that is, all who come in contact with me know it. However, I may not be aware of the fact that I am extremely task oriented and my employees don't like it. In other words, others know and perceive me as a task master and perhaps dislike me because of this. Not knowing this is my *blind area* (my blind self). That is, I am blind to the fact that I come across to others in a negative way. On the other hand, I may know something about myself which nobody else is aware of, and I would like to keep it undisclosed, a secret. For instance, something that happened to me in my childhood could be an event that I may not want to share with anybody else. This is my *private area* or my hidden self. Finally, there may be aspects of me which I am unaware of and others do not know either. This undiscovered self is my *dark area*. Since this is an unknown, dark, impenetrable area, there is nothing much that can be done about it.

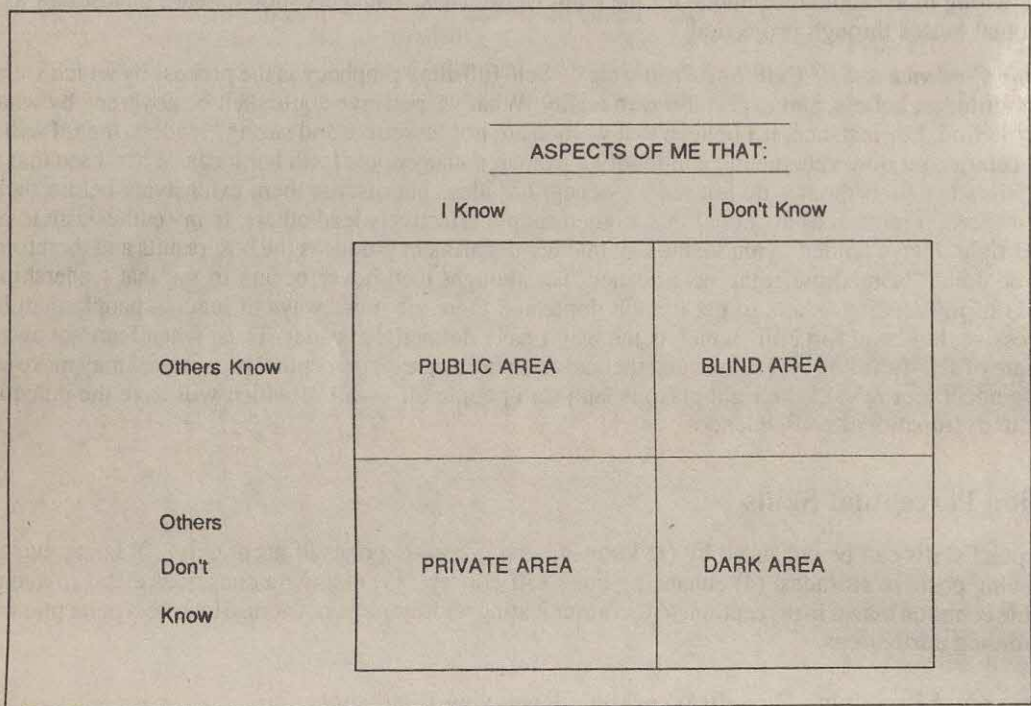


FIG. 4.2 The Johari Window

However, it is possible for me to become more aware of myself and remove my blind spots by obtaining feedback from several others on how I am perceived by them as a superior, colleague, subordinate, friend, etc. By removing my blinders, I then give myself a chance to see how I am *really* perceived by others instead of perceiving myself as I would *ideally* like to be. Thus, by enlarging the public area or open self and narrowing the blind area through feedback, I will be able to understand myself better. This in turn, will help me to perceive and understand others better, limiting my own personal biases in perception.



## Being Empathic

Empathy means being able to see a situation as it is experienced by others. The truly effective manager will be able to rise above his or her own personal impressions and comprehend problems from others' perspectives. This can occur only when the manager can be sensitive to the needs of others and perceive situations from their point of view as well, before making final decisions.

## Having Positive Attitudes

We have seen the interrelationships among attitudes, perceptions and values. Unless managers can take a positive attitude to whatever situation they find themselves in and see things from a positive angle, their perceptions are likely to be distorted. By being aware of personal biases, and making a concerted effort to be as unbiased as possible, managers can consciously try to get rid of any negative feelings they may have of others. This will help them to put things in their proper perspective and thus enhance their perceptual skills.

## Enhancing Self-Concept

Self-concept or a good self-image is, at least partly, a function of how successfully we accomplish the things we attempt to do. When people handle roles where they can exhibit and enhance their competence and be successful, they will develop a basic sense of self-esteem and have positive self-regard. However, if they find themselves in roles where their competence is questioned or they feel they do not possess the necessary skills, they are not likely to encounter success experiences and will feel a sense of inadequacy. Their self-esteem would then drop and their self-concept would be low. We have already seen the ill-effects of low self-concept. It is therefore necessary to enhance our self-concept and the best way of doing this is to ensure a fit between our level of competencies and the jobs that we perform. If we are over qualified for the jobs we do (that is, our skills are under-utilized), we should find a better position in the same or another organisation, and if we are not qualified enough to do our job, we should try to enhance our skills through on- and off-the-job training. When our self-concept is enhanced and we have acquired a positive self-regard, we are apt to respect others more and perceive them more accurately.

## Consciously Avoiding Common Biases in Perceptions

Now that we have discussed several types of biases that occur in the perceptual process, we can guard against such biases as stereotyping, halo, and projection. By consciously raising our level of awareness as we interact with situations on a daily basis, we can considerably minimise our perceptual biases.

## Communicating with Employees to Erase Incorrect Perceptions

Even though managers may watch out for their own perceptual errors, it is a fact that employees at the workplace act in accordance with their own perceptions. Effective managers not only have to remember that employees tend to misperceive situations but they should also be able to effectively communicate to employees the happenings in the work setting such that any misperceptions are dispelled.

## Avoiding Attributions

Inappropriate attributions are frequently made by all of us when we try to make sense of what is happening in our environment. If Srinivas, who is always obliging, suddenly tends to be rebellious, it is very convenient for the boss to think that he is being "set up" by the union. In fact, Srinivas may not even be a member of the union! Imagine the consequences of such an attribution not only for Srinivas but the union leader who works in the same department as well! Because of such dysfunctional consequences, managers should try to avoid making attributions and obtain as accurate an assessment of the situation as possible.

In essence, understanding the perceptual process and dealing with perceptual biases are very important aspects of a manager's job.



## Summary

In this chapter we have discussed the dynamics of perception taking an input-throughput-output approach to the perceptual process. Since subjective emotions, judgemental attitudes, and distortion of facts are common in perceiving any situation, we have tried to identify ways in which we can minimise perceptual biases. We have also examined the need for managers to accurately perceive the environment they are in, and discussed how managers can sharpen their perceptual skills. In the next chapter we will examine the concepts of motivation and work performance.

## Discussion Questions

1. Perception is more a cognitive rather than a sensory process. Comment on this statement.
2. Discuss, citing examples, why perception is a key factor in managerial effectiveness.
3. Explain through an example not in the book, how attribution could contribute to a manager's perceptual distortion.
4. Stereotyping is both functional and dysfunctional. Explain this statement.
5. Discuss the salient features of the perceptual process model.
6. How are values and attitudes related to perception? Explain fully, citing an illustration from your own experience.
7. How will being empathic help a manager to perceive a situation more accurately? Discuss using an organisational example.
8. What are the dynamics of perceptual organization? Describe situations where you have used the perceptual organization principles discussed in the book.
9. Explain the concept of perceptual defence. How does it operate? What can be done to reduce it?
10. Is it possible to enhance our self-concept through knowledge about the Johari Window? Discuss your answer.
11. What are the most common perceptual errors that you make? How do you think you can rectify them?
12. Describe an organizational situation in which a positive halo effect can result in bad decision making.

## In-Class Exercise\*

You are about to read the Narmada River story. After reading the story, your task is to rank the six principal characters in the story in order of their offensive behaviours. The character who seems to be the most reprehensible will be ranked number one, the second most offensive person as number two, and so on till you have ranked all six characters in the story. Fill the first tabular column provided at the end of the story for this purpose. Since you will no doubt have your own reasons for ranking them in the way you do, do note your reasons also briefly in the appropriate column provided. Bring the completed information to the next class.

### The Narmada River Story

There lived a woman named Roshna who was deeply in love with her cousin Ashok. Ashok in turn loved her very much. The two lived on the opposite banks of the river Narmada. Every Saturday Roshna went to her aunt's house and spent the weekend with her aunt, uncle, and cousin Ashok. Ashok also visited her family, usually on Wednesdays for a few hours.

Torrential rains poured continuously for six days during last October and the waters of the river rose to dangerous levels. The low lying bank where Ashok lived was almost submerged in water and nobody was sure to what extent damages had occurred. The bridge across the river was broken and people had no way

\*Adapted from an exercise developed by Sekaran and Coscarelli (1980).



of keeping in touch with each other. The uncertainty caused a lot of grief to many people, and needless to say, Roshna and her family were terribly upset not knowing what had happened to their relatives across the river.

Feeling awfully restless, Roshna went to the old man Yadhav who was carrying food supplies across the river for some special friends of his, and requested him to take her to the other side. She narrated her plight and said that she would pay him Rs. 50 for his favour (the usual ferry charges were Rs. 5 for a round trip). Yadhav said that taking her meant carrying less food for the needy and he would not be willing to do so unless she could at least double her fare. Since Roshna and her parents were poor and did not have much money, she did not have the Rs. 100 that he asked for. Actually, even the Rs. 50 she had with her was the money with which she was to have bought a textbook. She pleaded and cajoled, but to no avail. As she sat dejected under a tree, Roshna sighted her college mate, Lakshman, whose father owned a ferry, and narrating her plight begged him to take her across the river. Lakshman said he would be pleased to accede to her request in return for a small favour. He wanted to kiss her just once on her lips. He told her how much in love he himself was with her and how he had always dreamt of kissing her—just once! As she stood horrified by this unexpected proposition, a mutual friend of theirs, Vishnu, approached them.

The moment Lakshman saw Vishnu, he told him that Roshna wanted to cross the river and he would be happy to take her in his ferry if only he could kiss her once. “Is that such a big price for her to pay?” asked Lakshman, while Roshna stood there feeling terribly embarrassed. Vishnu shrugged his shoulders and said that he did not want to get involved in something going on between the two and walked away. Not knowing what else to do, and wanting to see Ashok very badly, Roshna very reluctantly agreed to Lakshman kissing her just once. “Never, never, never again do I want to have anything to do with you, and you must promise to leave me alone in the future”, she said. He agreed, then kissed her and took her to the other side of the river.

Roshna was crying all the time as she walked from the river bank to Ashok’s house. When she saw Ashok alone at home she wept even more bitterly. Not understanding why she was so unhappy, Ashok assured her that they were all alright and that she should not be so upset. When he said this, Roshna started sobbing bitterly. She then told him what had happened. Ashok immediately flew into a rage and slapped Roshna on both her cheeks. Ashok’s father, Pradip Patel, who just then walked into the house, saw his son hitting Roshna and the poor girl wailing loudly. He then took his belt and beat up his son badly. Roshna walked out of the house feeling avenged as the sun was setting in the western sky. There was a smile on her face for the first time since the last few days when the rains poured incessantly and the river flooded!

Rank	Character	Reason
1		
2		
3		
4		
5		
6		



**The Narmada River Exercise—Part II**

Organise yourself into groups of three to five (as instructed by your professor) and do the following:

1. Tabulate how your group members ranked each of the characters below:

Character	First	Second	Third	Fourth	Fifth	Sixth
Ashok						
Lakshman						
Pradip Patel						
Roshna						
Vishnu						
Yadhav						

2. Find out the reasons why the group members ranked the characters the way they did. (Do this in about 5 minutes.)
3. See if your group can arrive at a consensus on the rankings.
  - a. If you can, be prepared to tell the class during the debriefing, the basis on which you arrived at the agreement.
  - b. If you cannot, what were the main reasons that blocked a consensual ranking. Be prepared to discuss them during the debriefing.  
(Do not spend more than 15 minutes on this part.)

**A Case Study****The Bus Accident\***

The police report read that bus number 11123 while on its route from Ambattur to Madras on April 16, 1986, had an accident some 30 miles from Poonamallee—an apparent collision against a banyan tree. When the policeman on beat arrived at the scene around 1.30 p.m. he was unable to locate the driver. The passengers—some 35 of them—were in a state of panic. All of them had got down from the bus and many were sitting under the shade of a nearby tree some distance from where the bus stood with its damaged front part. Children were crying and the women passengers were screaming as they saw the policeman walk towards them. The men were talking loudly, all at the same time. Nobody was able to state clearly what had happened or at what time exactly the accident had taken place. Estimates of when the accident occurred varied from 35 minutes to 2 hours earlier.

Three days later, the General Manager of Pandyan Transport was sitting at his desk looking at three different reports in front of him. One was the policeman's report which detailed the extent of damage to the bus, and the fact that the driver had abandoned the bus without telling the passengers where he was going or what they should be doing. The Regional Transport Officer (RTO) who was summoned to the scene two hours later also filed a report of his assessment of the damage. He stated that Thangavelu, the driver, whose record indicated that he had been a fairly safe driver for almost two decades, had been involved in a couple of minor accidents in the past six months. The first was when he hit a cyclist who fortunately sustained only

\*Case adapted from "Same Accident: Different Perceptions" by Luthans (1985).



some minor bruises and had his cycle intact, and the second when he drove into a ditch on a rainy night. Fortunately, again, there were no serious injuries to anyone and no damage to the bus. The RTO said that he had a suspicion that Thangavelu was perhaps driving under the influence of alcohol. Actually, according to the RTO, Thangavelu was found by one of the policemen inside a hut near the place of the accident drinking toddy at 5.30 p.m. on April 16, and from there he was taken to the police station. The RTO felt that Thangavelu's behaviour was totally irresponsible inasmuch as he left the spot of the accident (something that the rules absolutely prohibited) and on top of that he was drinking right after the accident!

The third report in front of the manager was the one filed by Thangavelu himself. Thangavelu stated that in an effort to avoid a stray cow on the road, he swerved the bus and accidentally hit the tree on the side of the road on April 16. As soon as the accident happened, he wanted to report the incident to the police and to his head office. He also wanted to seek assistance so that the passengers could be put in another bus and his bus towed away. But he did not want to alarm the passengers and hence got down from the bus, signalled to the passengers that he will be back, and walked in search of a nearby telephone to contact the police and his head office.

Unfortunately, even after walking four or five miles, there was no telephone in sight, but he knew there definitely was one in the Tehsildar's home a few miles away. Hence he walked further but on reaching the place, he found the house locked. Knowing that the passengers would be in a state of frenzy, he started to walk back to the bus, but on arriving at the spot he found neither the bus, nor the passengers. By this time, he was weary, and guessed that the police must have arrived at the spot, transported the passengers by another bus, and towed away the damaged bus. Since he was dead tired after all the walking and since his hours of duty were already over, he thought he would soothe his nerves with some toddy. That was the time when the policeman came into the hut and dragged him away. Thangavelu said that he did not walk away from the scene of the accident but he had acted in the best interests of his passengers. He did not want them to panic and thought he would find a telephone within a mile or so. He tried to be dutiful in the only way he knew how, and had no other option but to do what he did!

### Issues to Think About

1. What kinds of perceptual processes were operating in the three different reports?
2. What additional information would you, as the manager of Pandyan Transport, seek to clarify your own perception of the incident?
3. Given the information provided in the case, how would you resolve the issue of whether or not to fire the driver?



# 5

## Motivation and Work Performance: Content and Cognitive Theories

Motivation, perhaps more than any other single organisational behaviour concept, is of great interest and concern to executives in organisations today. Ask any manager what is the biggest problem he or she faces, and more often than not, the individual is likely to answer, "I wish I had a better motivated group of people working for me".

What is motivation and how can employees be motivated to direct their energies towards work? What is the relationship between motivation and performance? Is a highly motivated employee necessarily a good performer? These are the issues that we will discuss in this chapter. More specifically, we will define motivation, examine various theories of motivation, discuss the relationship between motivation and performance, and consider some motivational techniques that will be useful to managers in Indian organisations.

### Motive, Motivation and Motivating

The terms motive, motivation, and motivating which are derived from the Latin word *movere* (to move), are important concepts which have distinct connotations. The manager who fully grasps the meaning and significance of these concepts and learns how to apply them intelligently, will be able to steer the energies of the employees towards the goals of the organisation.

#### Motive

A motive is defined as an inner state that energizes, activates (or moves), and directs (or channels) the behaviour of individuals towards certain goals (Berelson & Steiner, 1964). Though some authors make a distinction between motives and needs, we can conceptualize motives as certain critical needs in human beings that have varying degrees of potency or strength. The strong motives or needs make the individual restless and in a state of disequilibrium until the needs are fulfilled or satisfied. In order to minimise the restlessness and keep it under control, the individual is propelled into action. Thus, motives induce individuals to channel their behaviour towards such types of action as would reduce their state of restlessness or inner disequilibrium. Motives, then, can be thought of as drives that energize people to action. For example, a clerk working for the Railways and nearing retirement might have an intense desire to see his bright son have access to higher education. This might be the motive that energizes him to work overtime every weekend in order to save money to send his son to a university. The anxiety and restlessness



in the father's mind created by his intense desire or need to see his son educated, which is minimised by his working and saving money now, will ensure that his son can go to college later. Thus, the strong motive of the father was the force behind his behaviour of working during weekends when he could have easily rested. Likewise, the intense desire to achieve name and fame may be the motive for a tennis player to practise eight hours a day in the sweltering heat for several months before the actual tennis tournament takes place. Consider your own motives for going through the educational process you have currently undertaken. Can you make a list of the needs that are being satisfied or are likely to be satisfied for you through the effort that you now put in?

## Motivation

While motives are energizers of action, motivation is the actual action, (that is, work behaviour), itself. For instance, when an employee works very hard, the manager remarks that the level of the individual's motivation is high. When a person shirks work and is away from his desk wasting time, the manager or supervisor is inclined to remark that the person has very low motivation. In other words, the level of motivation of an individual is judged by the person's actual work behaviour. Does the individual come to work regularly? After coming to the workplace, does the person actually do the allotted work? Does the individual work persistently till the work gets done even if several difficulties are encountered in the accomplishment of the task? These are some of the criteria by which the motivation of individuals is judged. Thus, while motive signifies the drive that propels people to action, motivation signifies the actual (level of) work behaviour of individuals.

## Motivating

Motivating is a term that implies that one person, say the manager, induces another, say an employee, to engage in action (or work behaviour) by ensuring that a channel to direct the motive of the individual becomes available and accessible to the individual. For example, a highly qualified and skilled employee who is doing routine clerical jobs at the workplace may have a very strong motive, that is, an intensely experienced restlessness, to take on more challenging assignments. The manager who senses this motive, might then give that individual more responsibility and motivate the person to attain her goal. This effort on the part of the manager enables the clerk to alleviate her restlessness. She now works on her newly acquired responsibilities with enthusiasm instead of being frustrated and bored in performing the routine jobs she was engaged in doing before. Thus, managers have an important role to play in motivating employees at the workplace so that not only are the motives of individuals properly channelled towards the goals of the organisation, but such goal-directed behaviours are also sustained or maintained over time in the interests of the organisation.

In addition to channelling the strong motives in a direction that is satisfying to both the organisation and the employees, the manager can also awaken or activate the latent motives in individuals—that is, the needs that are less strong and somewhat dormant—and harness them in a manner that would be functional for the organisation. For example, a senior clerk may have a power motive which is latent because there is no outlet for such a motive or need to get fulfilled in his current position. If he is promoted to a supervisory position, the latent power motive in the individual will be activated as he will now be influencing several employees under him. Because of his ability to influence others, he is likely to do an excellent job of supervising his people and attaining the goals of the organisation. Thus, latent potential can also be tapped by understanding how to motivate people at the workplace.

For the reasons just discussed, the three concepts of motive, motivation, and motivating are significant for managers. By knowing how to motivate employees, not only can the manager help employees to satisfy their strong motives and activate the dormant motives in them, but in the process, the goals of the organisation and the needs of the individuals are simultaneously met.



The relationships among the three concepts discussed so far can be depicted as in Figure 5.1 below.

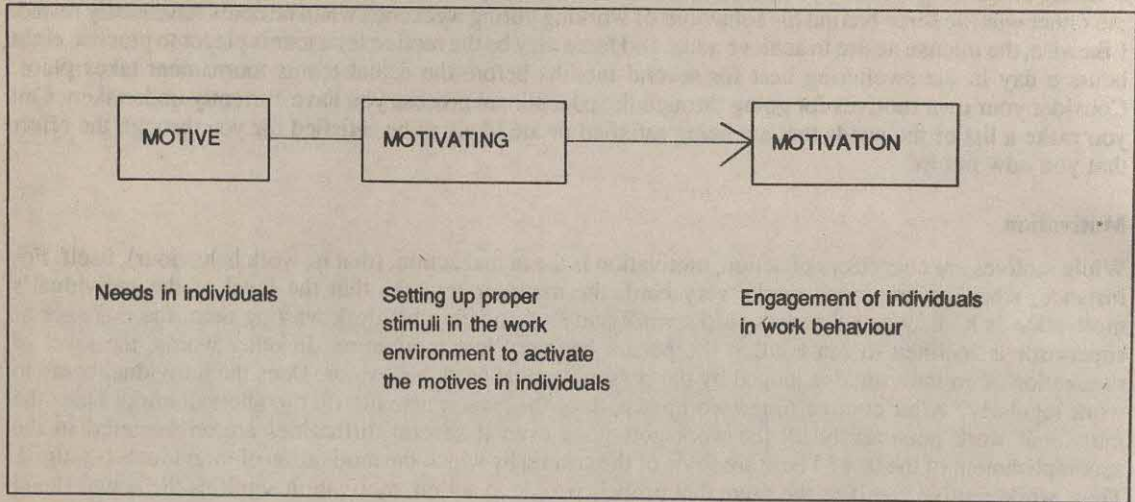


FIG. 5.1 Relationships between Motive, Motivating and Motivation

## Theories of Motivation

Theories of motivation i.e. why or how people engage in work behaviour — have evolved through time and can be categorised broadly under Content or Need theories, Cognitive or Process theories, and Reinforcement theory. The Content theories basically look at the motives or needs in individuals that influence behaviour. Maslow, Alderfer, Murray, McClelland, and White are some of the people who have made significant contributions to this approach. Cognitive theories look into the dynamic processes of how people assess work situations and make decisions cognitively as to whether, and to what extent, they should and would engage in work behaviour. Some important contributions to this perspective come from Adams, Vroom, and Porter and Lawler. Reinforcement theories consider behaviours as the responses of individuals to the stimuli they are exposed to. The theory suggests that by changing the cues or stimuli in people's environment, their behaviour can be moulded, shaped, changed, or eliminated.

In short, in attempting to explain work behaviours, content theories focus on the needs of individuals, cognitive theories focus on the assessment and thinking processes of individuals, and reinforcement theories focus on the cues in the environment, as important for understanding motivation. In addition, goal setting theory and job design theory also give us ideas on how people can be motivated. Goal-setting theory proposes that motives can be appropriately channelled by setting the right goals for accomplishment and helping the employee to achieve the goals. Job design theory suggests that by introducing challenge in the job, people can be motivated.

We will discuss the content and cognitive theories as well as goal setting and job design in this chapter.

## Content Theories of Motivation

The content theories of motivation which are basically concerned with the need patterns of individuals are discussed below.



## Maslow's Hierarchy of Needs

Perhaps the most widely known theory of individual needs and motivation comes from Abraham Maslow who was a clinical psychologist in the U.S.A. Maslow (1954, 1968) stated that people have five basic levels of needs which they tend to satisfy in a hierarchical fashion. These five levels of needs are Physiological needs, Safety and Security needs, Social needs, Self-Esteem needs, and Self-Actualisation needs. Maslow stated that these needs are organised in a hierarchical, pyramid form as shown in Figure 5.2

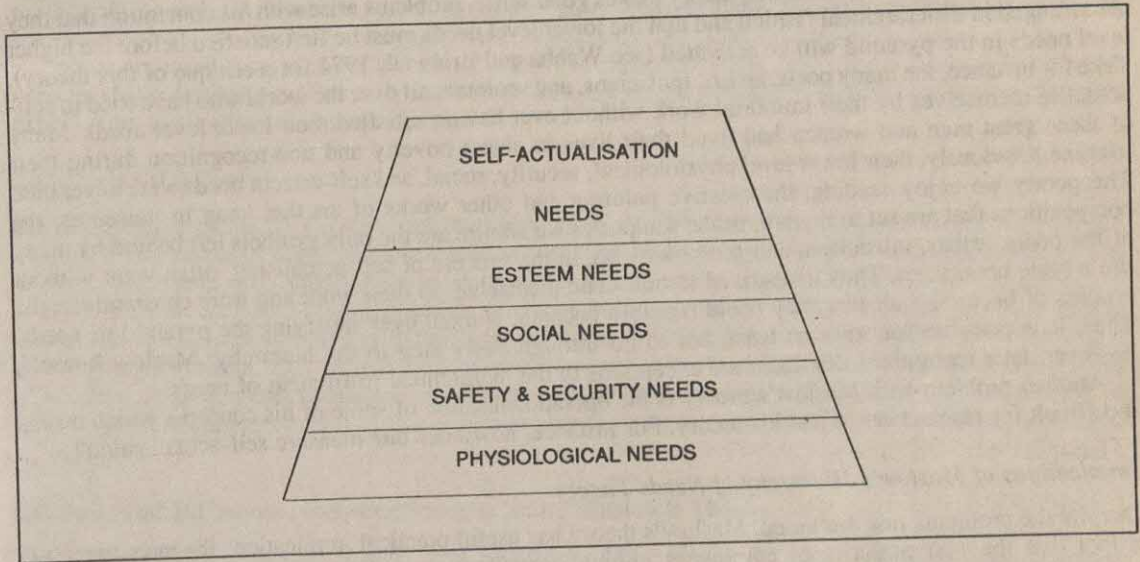


FIG. 5.2. Maslow's Hierarchy of Needs

*Physiological needs* are those very basic bodily needs that individuals tend to satisfy. These needs comprise hunger, thirst, shelter and protection from the sun and the rain, sex, etc. Once these basic needs felt at the physiological or body level are satisfied, people tend to move to the second level of needs in the pyramid. That is, they feel the urge to satisfy their *safety and security needs*. These needs arise out of concern to protect one's self from things that cause danger or insecurity and to ensure that safety and security are enhanced. Thus, individuals seek protection from wild animals, murder, cruelty, and other kinds of danger or violence to feel safe and protected. They also seek some stability and security in their lives by ensuring that they will have job security and will not be in dire straits in the future. Once this second level of needs is satisfied, then human beings strive to satisfy their *social needs*. That is, people want to "belong" to a social group where their emotional needs for affection, love, warmth, and friendship are satisfied. Social needs can be satisfied by being in the company of friends, relatives, or other groups such as work groups, play groups, and voluntary groups. Fourth in the hierarchy of needs is *ego or self-esteem needs* which cry out for respect, recognition, esteem, appreciation and applause from others. Satisfaction of these needs gives the individual a sense of self-worth and ego-satisfaction. At the top of Maslow's pyramid is the need for *self-actualisation* — an intense craving to become all that one can possibly become in life, to do one's very best, to almost transcend one's self — a need that emerges when the need for self-esteem is satisfied. It is well-nigh impossible to fully satisfy the self-actualisation needs since people perpetually strive to set and attain higher goals for themselves as they progress in life. In other words, people at the self-actualisation level are constantly in the process of "becoming", i.e. constantly striving to reach their fullest potential.

In essence, Maslow suggested that 1. there are five levels of human needs; 2. they are arranged in a hierarchical fashion, and 3. a satisfied need is no longer a need, and hence as one level of need is satisfied,



people move to the next higher need level. Maslow took a "deprivation-gratification" approach to need satisfaction. That is, he contended that an unfulfilled or deprived need would activate a person to engage in behaviour that would satisfy or gratify that need. Once one level of need is gratified, the next level of needs will emerge as the deprived needs seeking to be gratified.

### *Some Problems with Maslow's Hierarchy of Needs Theory*

While Maslow's needs classification theory makes good sense, problems arise with his contention that they are arranged in a hierarchical fashion and that the lower level needs must be first satisfied before the higher level needs in the pyramid will be activated (see Wahba and Bridwell, 1974 for a critique of this theory). Take for instance, the many poets, artists, musicians, and sculptors all over the world who have tried to self-actualise themselves by their immortal work without ever having satisfied their lower level needs. Many of these great men and women had lived their lives in abject poverty and non-recognition during their lifetime. Obviously, their lower level physiological, security, social, and self-esteem needs were never met. The poetry we enjoy reading, the creative painting and other works of art that hang in museums, the compositions that are set to rhythm, or the sculptures we admire are the only symbols left behind by many of the poets, artists, musicians, and sculptors who, in the process of self-actualising, often went without life's basic necessities. They had strived to transcend themselves in their work and were constantly in the process of becoming all that they could possibly become, without ever satisfying the pyramid of needs. Thus, it is possible for some at least, not to go through every step in the hierarchy. Maslow himself, however, later recognized that there are exceptions to the hierarchical fulfillment of needs.

Another problem with Maslow's theory is the operationalisation of some of his concepts which makes it difficult for researchers to test his theory. For instance, how does one measure self-actualisation?

### *Implications of Maslow's Hierarchy of Needs Theory*

Despite the problems just discussed, Maslow's theory has useful practical implications for managers. It is a fact that the vast majority of employees joining organisations at the lower levels, such as clerks, machinists, policemen, peons, drivers, and the like, are by and large, seeking to satisfy their physiological needs first; that is, earn money to maintain themselves and their family. Once they have gained entry into the organisation and learnt their work, they are then keen on fulfilling their security needs, that is, they want to successfully complete their probationary period and be confirmed in their jobs, so that they have job security. Next, they try to widen their circle of acquaintances and friends in the workplace to fulfil their social needs. A few employees then try to make themselves recognised in the system by exhibiting superior work performance, or contributing to the organisation by way of suggestions for improving the work systems etc. They also seek promotion and try to enhance their status. They thus try to satisfy their needs for recognition, and self-esteem. Most employees in organisations do not go beyond this stage. A few who have the ego or self-esteem needs met, try to engage in work behaviour to fulfill their self-actualisation needs. In other words, their needs to develop and grow, and reach their full potential is the only motive that keeps them working long and hard and performing exceedingly well.

Maslow's theory thus offers a good conceptual scheme for managers to understand and deal with issues of employee motivation at the workplace. Maslow's theory can be applied to motivate people at all levels in the organisation. Managers who understand the need patterns of their staff can help the employees to engage in the kinds of work activities and provide the types of work environment that will satisfy their needs at work. Fortunately, the workplace has the potential to offer need gratification for several different types of needs, and managers can motivate employees by giving appropriate organisational support which will gratify individuals' needs. Thus, despite its drawbacks, Maslow's theory offers managers a good handle on understanding the motives or needs of individuals and how to motivate organisational members.

### *Intrinsic/Extrinsic Motivation*

A distinction can be made between intrinsic motivation and extrinsic motivation. Engaging in work behaviour and striving hard to perform well for the primary purpose of fulfilling one's own satisfaction,



pride, and happiness is called "intrinsic motivation". That is, some people strive hard at work to gratify their own need or desire to perform well and they derive satisfaction from doing so. "Extrinsic motivation", on the other hand, describes work behaviours that are engaged in by individuals because of the external rewards that their performance brings. The external rewards can come in the form of monetary gains, recognition from others, being included in a group, praised, or promoted. Thus, intrinsic motivation is a self-propelling force which constantly keeps individuals motivated to engage in diligent work behaviour. Extrinsically motivated individuals, however, have to obtain their reinforcements through various factors in the environment so as to continue to engage in work behaviour and perform well on the job.

People at the self-actualisation level are basically intrinsically motivated, whereas, people at the other need levels are basically extrinsically motivated. Hence, the type of rewards that the two groups of people expect from the workplace will be different.

### **Alderfer's ERG Theory**

Clayton Alderfer (1969, 1972) reformulated Maslow's Needs Hierarchy theory. He modified and reduced Maslow's five levels of needs to three levels and labelled them as needs for Existence, Relatedness, and Growth. The name ERG theory is derived from the first letters of each of these three levels of needs. Alderfer's Existence needs comprise Maslow's physiological needs as well as the needs for security and safety. His Relatedness needs refer to the needs of people for affection, love and friendship in their social environment and would thus include Maslow's social needs. Alderfer's Growth needs encompass the ideas of Maslow as he had conceptualised self-esteem and self-actualisation needs. That is, in the process of enhancing their self-esteem and self-actualisation, people tend to satisfy their needs to develop and grow on their jobs.

### **Fundamental Differences Between Alderfer's and Maslow's Theory**

The main difference between Maslow and Alderfer is that Alderfer posited a "satisfaction-progression" (akin to Maslow's "deprivation-gratification") as well as a "frustration-regression" process in his theory. That is, Alderfer agreed with Maslow that once one level of needs is satisfied, people will progress to the next level to satisfy the succeeding higher level needs. For example, if relatedness needs are satisfied, people will move on to the growth needs level to have them satisfied. Unlike Maslow, however, Alderfer also postulated that, if for some reason, people continually become frustrated in trying to satisfy their needs at one level, their next lower level of needs will re-emerge, and they will regress to the lower level to satisfy their more basic needs. For example, if relatedness needs are not satisfied and an individual continuously experiences frustration in not being able to meet those needs, his existence needs will re-emerge and he will regress to this level and try to get more of those needs satisfied. That is, he would feel the need to eat better, live better and satisfy more of the physiological needs.

Secondly, Alderfer also suggests that more than one need may be activated at the same time. In other words, individuals may be working towards fulfilling both their relatedness needs and growth needs, or their existence and relatedness needs, simultaneously. Alderfer's theory is thus more flexible in describing human behaviour than Maslow's theory. Alderfer has also tried to operationalise the three need levels of existence, relatedness, and growth. Research in this area has, however, not progressed to the point where we can be certain about the accuracy or usefulness of Alderfer's theory. At least one study has refuted Alderfer's theory thus far (Rauschenberger, Schmidt, and Hunter, 1980). Thus, more work is needed to test the validity of the ERG theory.

### **Murray's Manifest Needs Theory**

Henry Murray (1938) developed a list of 28 needs that human beings have. Among these, are the needs for achievement, affiliation, dominance, aggression, dependence, and nurturance. Murray argued that our needs are mostly acquired in life rather than inherited, and needs can be activated or made to manifest themselves by introducing appropriate cues in the environment. For example, an employee's need for



achievement will manifest itself when the individual is exposed to a challenging job. Since a challenging job requires the individual to muster all the creativity and abilities that are within, the person has an opportunity to tap into his or her need for achievement. If, however, the individual is continuously exposed to monotonous jobs only, this need is never tapped and the individual becomes bored with the job. Thus, given a conducive work environment, our latent needs can manifest themselves.

### **McClelland's Research on Manifest Needs in the Work-setting**

David McClelland of Harvard University, has done extensive research on the concepts of Need for Achievement (N.Ach) and Need for Power (N.Power). Studying the N.Ach of individuals in different countries, McClelland concluded that the level of a nation's need for achievement is highly correlated to the country's economic development (McClelland, 1953, 1965, 1975, 1976). That is, nations high in N.Ach are more prosperous than those low in N.Ach. McClelland also argued that N.Ach can be induced and developed in individuals; in other words, the level of N.Ach can be raised in individuals through training. McClelland substantiated his arguments by offering training to entrepreneurs and businessmen in India and tracing their achievements over a period of time. His findings were that training did increase the level of N.Ach and motivation in the entrepreneurs who were trained. His subsequent longitudinal data showed that these individuals, when compared to a control group who were not offered training, were more successful in their businesses even long after the training. What should not be overlooked is the fact that the sample of entrepreneurs represented in McClelland's study were already high in N.Ach; otherwise they would not have started their businesses. The question then is, while it may be relatively easy to raise their level of motivation and successful performance through training (since training would heighten their own perceived potential) will it be possible to attain the same results with a population of, say, lower level managers or other employees in business organisations in India? Perhaps, the answer is "No". To put it differently, while it may be quite true that N. Ach and prosperity of nations may be highly correlated, it is a moot point that N.Ach can be induced in *all* people through training. Some businessmen and many entrepreneurs may benefit through training, but this may not be the case for all individuals who are trained. This is a hypothesis that needs to be tested.

McClelland had offered theories of the relationship between motivation and each of the three needs of N.Ach, N.Aff, and N.Power. While most of us possess all three needs, usually one or the other of the three is more dominant than the others. All three needs can be usefully tapped in organisational settings to achieve high levels of performance. Since understanding the three needs will be useful for motivating employees, these will be discussed further.

#### ***N. Achievement***

Individuals high in N.Ach exhibit certain characteristics and can easily be spotted in organisations. High N.Ach individuals like to work on jobs which are fairly challenging. They would not be "turned on" by jobs which have either low challenge or too high a level of challenge. Too little challenge will bore them since there is no opportunity to satisfy their urge to achieve, and too much challenge would mean that the job is too difficult and hence will induce the fear of failure in them. Since their need for achievement and accomplishment are high, high N.Ach individuals will not try to work on jobs that are so challenging that successful task accomplishments become doubtful. High N.Ach individuals hence seek jobs that are moderately challenging. They also like to work on projects independently and like to be given responsibility and autonomy to perform their work. They also desire feedback on how well they are performing. Thus, moderately challenging jobs, responsibility, autonomy, and feedback motivate individuals high in N.Ach to engage in work behaviour and perform well on the job.

#### ***N. Affiliation***

Individuals high in N.Affiliation (N.Aff) like to interact with colleagues in the organisation. They have a strong desire for approval and reassurance from others and they are willing to conform to the norms of groups to which they belong. In effect, they have needs to develop affinity and warm relationships with



people in the work system. They are usually gregarious by nature and like to work with others in a friendly atmosphere. Teamwork, co-operative efforts, joint problem-solving sessions, and committee assignments are all well suited for those high in N.Affiliation to perform well. In Alderfer's framework, these individuals are in the Relatedness Needs level, and in Maslow's framework they are in the social needs level.

People high in N.Aff are said to perform better in their jobs when they are given supportive feedback. Cooperative work norms, where pressure for increased output comes from friends, also increases output. Thus, friendly managers and supervisors can influence individuals high in N.Affiliation and motivate them to work harder.

### **N.Power**

McClelland has also done research on N.Power. His latest work discusses the two faces of power. McClelland (1976) differentiates between Personal Power and Institutional or Social Power. Individuals high in need for personal power like to inspire subordinates and expect the latter to respect and obey them. Such behaviours gratify their own need for power in a personal sense. Managers who are high in institutional power, however, tend to exert authority and influence so as to achieve the goals of the organisation rather than to gain any personal ego satisfaction. McClelland describes the institutional power manager as "organisation-minded" and getting things done in the interests of the organisation. That is, the institutional power manager exercises power in the interests and welfare of the organisation. Institutional power managers are said to be very effective since they are willing to somewhat sacrifice their own interests for the organisation's overall well-being. McClelland feels that institutional or social power is good for the organisation and personal power is detrimental to the overall interests of the organisation.

Persons with high N.Power would naturally be turned on by holding positions of authority and influence in the organisation. They like to take charge and be in control of situations. Placing such individuals in high-level positions will help them to gratify their own needs as well as get many of the organisation's policies and orders followed and carried out by employees.

Thus, needs for Achievement, Affiliation, and Power, can be harnessed to the benefit of the organisation if managers know how to identify the needs in their subordinates. Since some of the characteristics of people who are high in these needs are known (e.g. seeking responsibility, teamwork, control, etc.), it is possible to spot these individuals by observing them in diverse work situations. It should be remembered that employees have several needs, some of which are more dominant than others. Some of the needs will also be dormant and not manifest themselves unless there are appropriate cues in the environment to activate them. Thus, managers have to carefully observe employees in different contexts and identify their needs.

White (1959, 1965) identified another need that can be effectively channelled in organisations. This is the need for *Effectance*. Lorsch and Morse (1975) have more comprehensively developed the concept to use it in the organisational setting. Their research in this area offers much scope for practical application. The need for effectance will be further discussed.

### **White's Need for Effectance**

Robert White identified the need for effectance as a powerful motivator. N.Effectance is a concept which describes our inborn drive to explore and gain mastery over our own immediate environment. N.Effectance is manifest even in babies who constantly try to explore their small world. They reach out for things, crawl, and take their first steps, and feel happy with their explorations. Such explorations of our environment continue throughout our lives. In interacting with the environment constantly, human beings experience both successful and unsuccessful experiences, and gain varying degrees of mastery over the environment. The history of successful experiences over one's lifetime, offers one a sense of confidence in his or her own competence. White considered this confidence as a powerful motivator to interact more with the environment so as to accumulate more success experiences, and feel confident about our competence. White called this confidence in one's own competence a "sense of competence".

Jay Lorsch and John Morse at the Harvard Business School used the concept of Sense of Competence to study the motivation and performance of organisational members (Lorsch and Morse, 1975). They found



that Sense of Competence accounted for higher levels of managerial motivation and performance in several types of organisations. The concept of sense of competence is important because managers can easily make use of the N.Effectance that employees have, or arouse this need in the work setting, so that employees' energies can be advantageously tapped, and their sense of competence enhanced. This, in turn will increase the level of motivation in employees.

The concept of sense of competence has not been extensively researched even in the United States, but Sekaran's pioneering work in the Indian banking industry (Sekaran and Wagner, 1980) indicates that sense of competence is highly correlated to motivation, job involvement, and job satisfaction of employees at all levels. Sekaran's (1986a) research indicates that several job related and organisational climate factors in the work setting lead to motivation, job involvement and a sense of competence. It has been found that a sense of competence, in particular, leads to the job satisfaction of Indian bank employees (Sekaran, 1986b).

The need for effectance in individuals, a powerful motivator, can be creatively channelled by managers through proper job assignments, and allowing employees to gain mastery over their environment. Given adequate encouragement and support, employees will be motivated to engage in work behaviour. The more they interact with their work environment, the more they will feel a sense of competence, which in turn, will motivate them to even more actively engage in their work. Hence, motivation and a sense of competence will mutually influence each other and offer employees intrapsychic or intrinsic rewards.

So far we have examined the Content or Need theories of motivation and found that many of the manifest needs can be usefully channelled by managers to the benefit of both the individuals and the organisation. We will now examine some of the Cognitive or Process theories of motivation.

## **Cognitive or Process Theories of Motivation**

Cognitive models of motivation are based on the notion that individuals make conscious decisions about their job behaviour. Thus, understanding the process by which individuals make decisions about how much effort they will put on the job will help managers to motivate people better. There are several approaches to understanding the cognitive processes, and we will examine them now.

### **Equity Theory**

Equity Theory was first advanced by Stacy Adams (1963, 1965). The notion of equity stipulates that justice and fairness should prevail (such as, in the reward system). The process of deciding whether there is equity, involves social comparisons by organisational members. For instance, an individual looks at the amount of work that he or she puts in and how the rewards were dispensed for that effort, and compares it with the efforts and rewards of another person in a similar position. If there is a perceived equity or fairness, all is well. However, if inequity is perceived, then the person feels unhappy, distressed, and restless since what he or she thinks is equitable, and what has actually happened are at variance. This cognitive dissonance or restlessness and agitation in the individual's mind will propel the person to take some type of action. Since felt inequity motivates or moves people to take action, it is a motivator. Hence, motivation or work behaviours could very well be a function of felt inequity.

### **Adam's Equity Theory**

Stacy Adams (1965) defined inequity as an injustice perceived by a person when he compares the ratio of his outcomes (rewards) to his inputs (efforts), with the ratio of another comparable person's outcomes to inputs, and finds that they are not equal. Inequity exists under two conditions: 1. when the person feels that in comparison, he suffers a negative inequity, that is, he has been rewarded less for his efforts than another and 2. when he experiences a positive inequity, that is, in comparing, he finds himself rewarded more than another for a similar degree of effort. Both kinds of inequities produce cognitive dissonance or internal tensions and propel people to action in order to reduce the dissonance. The positive and negative inequities can be denoted as follows:



Positive Inequity	Outcomes for Person	>	Outcomes for Other
	Inputs of Person		Inputs of Other
Negative Inequity	Outcomes for Person	<	Outcomes for Other
	Inputs of Person		Inputs of Other

In essence, equity theory presupposes that in putting forth future efforts an individual asks the question, "Am I being rewarded fairly for my efforts, especially when I compare myself with another in a similar position in the organisation?"

### Consequences of Inequity

At least six different consequences are possible as a result of felt inequity. Adams (1965) suggests that people tend to resolve inequity through the following ways:

1. The person can alter inputs (efforts). That is, people who feel they are underpaid for their efforts, may tend to reduce their efforts, and people who feel they are overpaid might want to increase their effort.
2. The person can try to alter outcomes or rewards. A Union's efforts to increase wages when the company's wage level falls short of industry levels is a case in point.
3. The person can cognitively distort inputs or outcomes.
4. The person might quit the job.
5. The person could try to influence the other individual to reduce inputs.
6. The person might change the level of comparison.

To elaborate, depending upon whether negative or positive inequity is felt, individuals can reduce or increase the quality or quantity of the effort they put in. Secondly, when inequities are felt, the person can try to alter the outcomes. This can be achieved by individuals by talking to the proper authorities and asking for a pay raise or other desired rewards. Third, in order to reduce the cognitive discomfort caused by the felt inequities, the person could begin to think and believe that either her inputs were not as great as should have been, or that the rewards received were after all, not bad. For instance, the individual might rationalise and convince herself that the quality of her work was not really that good, or that the rewards were really alright especially considering that the company is considering a Diwali Bonus too! Cognitive dissonance would thus tend to be reduced by mentally distorting inputs and outputs, especially when outcomes such as a salary raise cannot be altered. A fourth reaction to felt inequity could be to alienate oneself from the job by remaining absent, coming late, or even quitting the job. Fifth, the person who feels negative inequity can influence the other person with whom comparisons are made, to reduce his or her inputs. This frequently happens in factories when one or two rate busters do not follow the production quota norms set by the group members and consistently produce more. The informal leader of the group then usually tries to influence the rate busters to restrict their efforts. Finally, a person feeling inequity, may change his or her comparison level by choosing another person as the reference for social comparison. For instance, if A used B as her comparison point till now, she might, after feeling negative inequity, change her comparison point to C by persuading herself that B is now bound to enjoy special favours since she has married the boss's nephew. If a positive inequity is felt, A might again change her reference level to another by thinking that B is no longer who she should compare herself with, since B was not given the special training that she was given by the organisation. These alterations in the comparison levels again reduce any dissonance that the individual feels.



### **Implications of Equity Theory**

What are the implications of Equity theory for managers? Equity theory sensitises managers to the fact that individuals often make equity comparisons, and that sometimes the rewards given by managers may have consequences which might be reflected in subordinates' behaviours. This is especially true when visible rewards such as promotions, pay increases, and bonuses are given to employees.

Managers should also anticipate that inequities will be felt by employees in their units, even when they are not justified. Hence, managers should carefully communicate the performance appraisal process to their employees, that is, explain how their performance has been evaluated and how the rewards are dispensed. A good example of this would be in the University system where merit raises for faculty members are offered on the basis of their teaching, research publications, and service to the community and to the University. Unless the Department Chairperson tells each faculty member the basis on which he or she has been rewarded, some faculty members are bound to feel inequities and behave in one of the six ways just discussed. To minimise felt inequities, the Chairperson could provide a profile of the high, average, and low performers without identifying names. Felt inequities are common in all organisations and hence it is important for managers to manage equity dynamics intelligently and carefully.

### **Vroom's Expectancy Theory**

Victor Vroom (1964) made an important contribution to our understanding of motivation and the decision processes that people use to determine how much effort they will expend on their jobs. The level of effort that individuals will exert is based on their perceptions of certain factors in the work environment and their expectations regarding their efforts resulting in worthwhile rewards. Vroom calls this the Expectancy Theory. Four concepts are important in examining the expectancy theory. They are : Expectancy, Instrumentality, Valence, and Force. These terms are first explained.

#### **Expectancy**

Before an individual decides to put effort into the performance of a task, he looks at the various alternatives that are available to him. Of course, everyone has to perform the job so as to stay in the organisation, but the level of excellence at which one would perform the task is one's own decision. For instance, the individual has at least three alternatives before him—to do an excellent job, to do an acceptable job, or to do a really poor job. Doing a poor job is likely to cost him his position in the organisation, and hence the individual may want to choose between the first two alternatives. He might decide to put forth his best effort and perform an excellent job, or he might decide to put forth a moderate level of effort and do an acceptable job. The mere fact that he decides to put in superior effort or a moderate level of effort does not necessarily mean that the final output is going to be excellent or at the acceptable level, as anticipated. For instance, even after putting in superior effort, the individual may not be able to perform an excellent job, and it might end up being only an acceptable level of performance. Similarly, if he puts in moderate effort, the final performance may be either acceptable or less than acceptable. Hence, for each of the effort—performance contingencies, the individual will attach some kind of a probability which would range from 0 to 1. For example, the individual might attach a probability of .7 that he would do an excellent job if he puts in superior efforts, and a probability of .3 that it would end up to be only an acceptable job even when he puts in superior performance. Likewise, he might attach the probabilities of .6 and .4, say, for acceptable and low quality performance, if he expends moderate effort on the job. These probabilities attached to various performance levels based on any given effort level denotes expectancy. Expectancy is thus the perceived probability assigned to a given level of effort leading to a given level of performance. This can be depicted in a diagram as shown in Figure 5.3

Expectancy also refers to the probability that performance will lead to certain outcomes as discussed below under instrumentality.



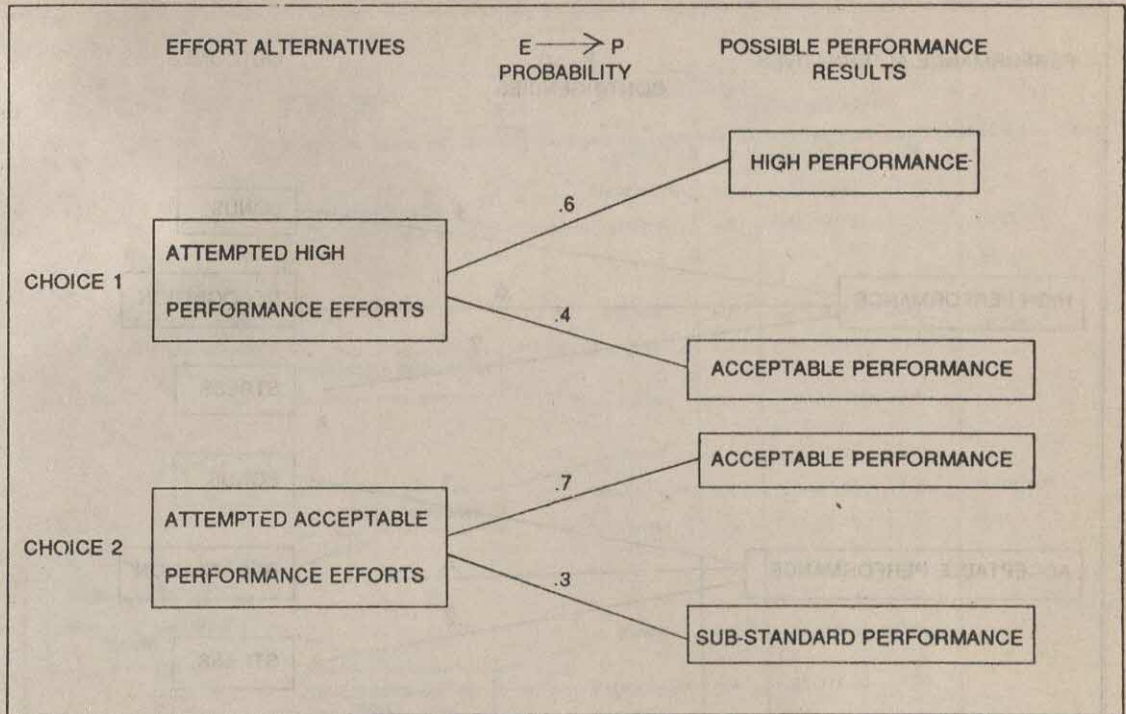


FIG. 5.3 Expectancy Perceptions of Effort Levels Leading to Performance

### Instrumentality

Instrumentality refers to the outcomes for the individual for each level of job performance. For instance, if through high level effort, a high level of performance is indeed achieved, what will be the consequent outcomes (instrumentalities) of it? There could be a big bonus and appreciation from the boss, and there will also be some physical and mental strain for the job performer. The first two are desirable, but the strain is not really wanted! Supposing even with the high level of effort put in, only an acceptable level of performance is achieved, the instrumentalities in that case may be a small amount of bonus and probably a "sermon" from the boss instead of recognition, but the physical and mental strain will be just the same. Similarly, the instrumentalities for putting in moderate effort and performing either an acceptable job or a poor job can be determined. The instrumentalities are depicted in Figure 5.4.

Thus, instrumentality refers to the probabilities attached by the individual to each possible performance—outcome alternative just as the individual previously assigned probabilities to various levels of effort leading to different levels of performance (expectancy).



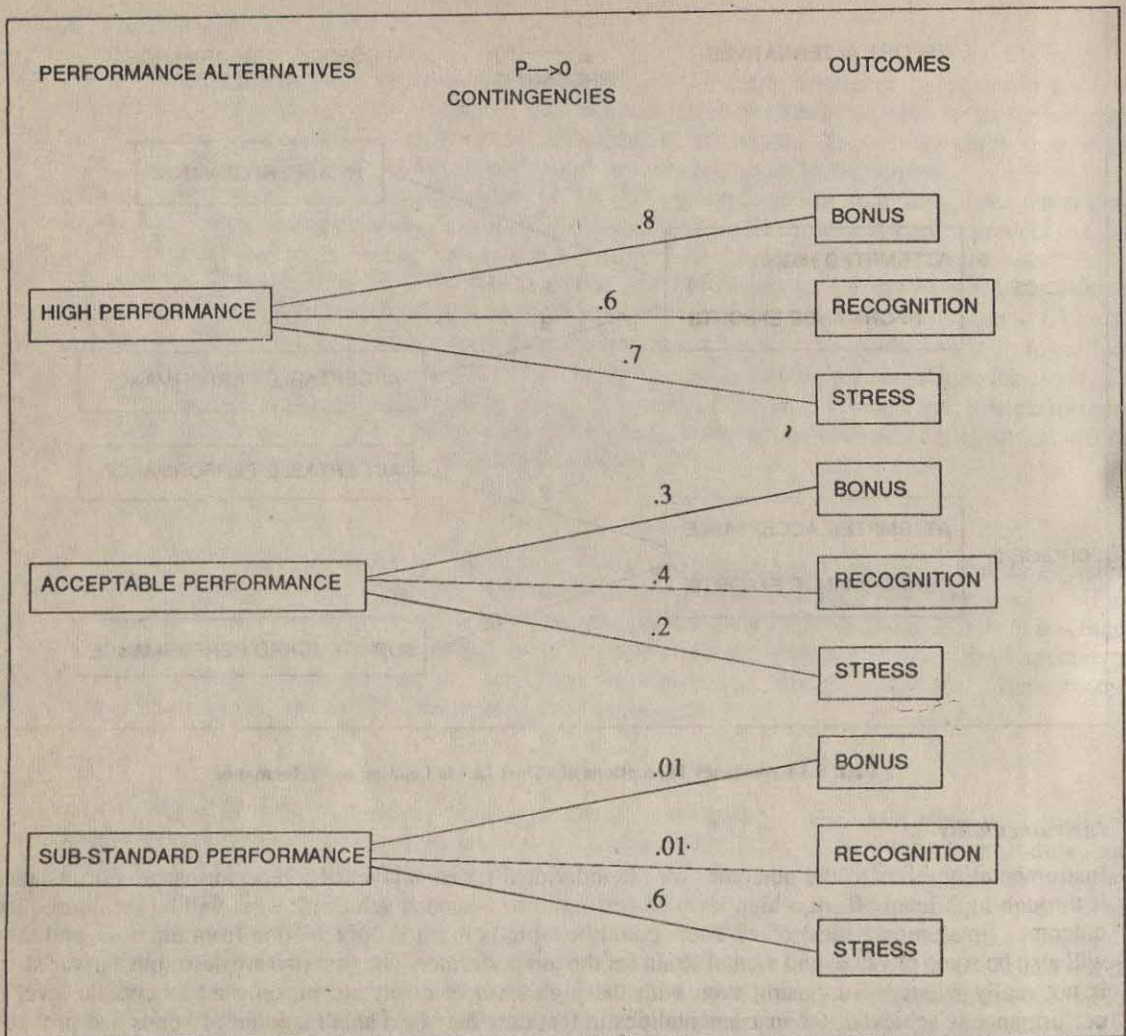


FIG. 5.4 Instrumentality Perceptions: Probabilities of Performance Leading to Rewards

**Valence**

Valence means attraction (or repulsion) of an outcome to the individual. Each of the outcomes or instrumentalities, as discussed above, will have a certain degree of attraction or repulsion for the individual receiving it. For instance, we said in the discussion under instrumentality, that the individual will like the bonus and the praise from the boss, but will try to minimise the physical and mental stress. In other words, the first two are attractive outcomes and have positive valence for the individual and the last outcome of stress is unattractive to the individual and has negative valence. The individual could assign a score for each of the outcomes ranging from -1, for the extremely repulsive outcomes, to +1, for the very attractive outcomes. Thus, a series of values can be assigned to the instrumentalities for each of the effort alternatives available. The probabilities assigned to each possible performance attainment, the probability assigned to each performance leading to instrumentalities, and the valence assigned to each instrumentality are then multiplied and summed for each effort alternative available. Whichever alternative offers the highest sum,



will be the alternative chosen by the individual as per the expectancy model. For clarity, the entire Expectancy approach is depicted in Figure 5.5.

EFFORT ALTERNATIVES E→P PROB	PERFORMANCE RESULTS P→R PROB	OUTCOMES	VALEN- CE	(E→P)X(P→R)XV	FORCE
CHOICE 1: ATTEMPTED HIGH PERFORMANCE EFFORT	HIGH PERFORMANCE	Bonus	+8	(.6X.8X.8) = .384	FORCE FOR CHOICE 1  = +.438
		Recognition	+4	(.6X.6X.4) = .144	
		Stress	-.5	(.6X.7X-.5) = -.21	
	ACCEPTABLE PERFORMANCE	Bonus	+8	(.4X.3X.8) = .096	
		Recognition	+4	(.4X.4X.4) = .064	
		Stress	-.5	(.4X.2X-.5) = -.04	
CHOICE 2: ATTEMPTED ACCEPTABLE PERFORMANCE EFFORT	ACCEPTABLE PERFORMANCE	Bonus	+8	(.7X.3X.8) = .168	FORCE FOR CHOICE 2  = +.1236
		Recognition	+4	(.7X.4X.4) = .112	
		Stress	-.5	(.7X.2X-.5) = -.07	
	SUB-STANDARD PERFORM- ANCE	Bonus	+8	(.3X.01X.8) = .0024	
		Recognition	+4	(.3X.01X.4) = .0012	
		Stress	-.5	(.3X.6X-.5) = -.09	
					Choice 1 will be exercised

FIG. 5.5 Choice Decisions Based on Force Calculations

Note that probabilities are assigned cognitively by the individual for the effort leading to performance, and performance leading to outcomes, and each instrumentality is assigned a value for attractiveness or otherwise with positive and negative signs. Note also the multiplicative (and not additive) effects of the three, on decisions made by the individual regarding the amount of effort to be expended. The implication is that if any one of the three values happens to be 0, the individual will not want to put in any effort at all! This is probably when absenteeism and turnover are at their highest.

### Force

Force is the actual effort expended by the individual on the job, (i.e., motivational level) and is, as we have seen, a function of the multiplicative effects of the sum of the effort — performance probabilities, the sum of the performance—outcomes probabilities, and valence, and can be denoted by the following formula:

$$\text{Force} = \{ (E \rightarrow P) \times (P \rightarrow O) \times (V) \}$$

In Figure 5.5, the Force is +.438 for choice 1, and .124 for choice 2. The person is more likely to go for the first choice, that is, decide to expend a high level of effort on the job.

Of course, no individual in an organisation cognitively goes through all these processes as elaborately as described in the model, attaching values for probabilities and valence. However, employees do intuitively and often cognitively go through processes somewhat on the lines described in the model while making decisions on how much effort they would be willing to expend on any given work assignment. Think



of your own decision-making process on how much effort you put into studying for an exam or writing a term-paper.

While Vroom's expectancy model as described above gives a good theoretical base for us to understand motivation, a more comprehensive and practical model has been developed by Porter and Lawler which will be discussed next.

### The Porter and Lawler Model

Lyman Porter and Edward Lawler (1968) came up with a comprehensive theory of motivation, combining the various aspects that we have so far been discussing and using two additional moderating variables in their model. The Porter and Lawler model is depicted in Figure 5.6.

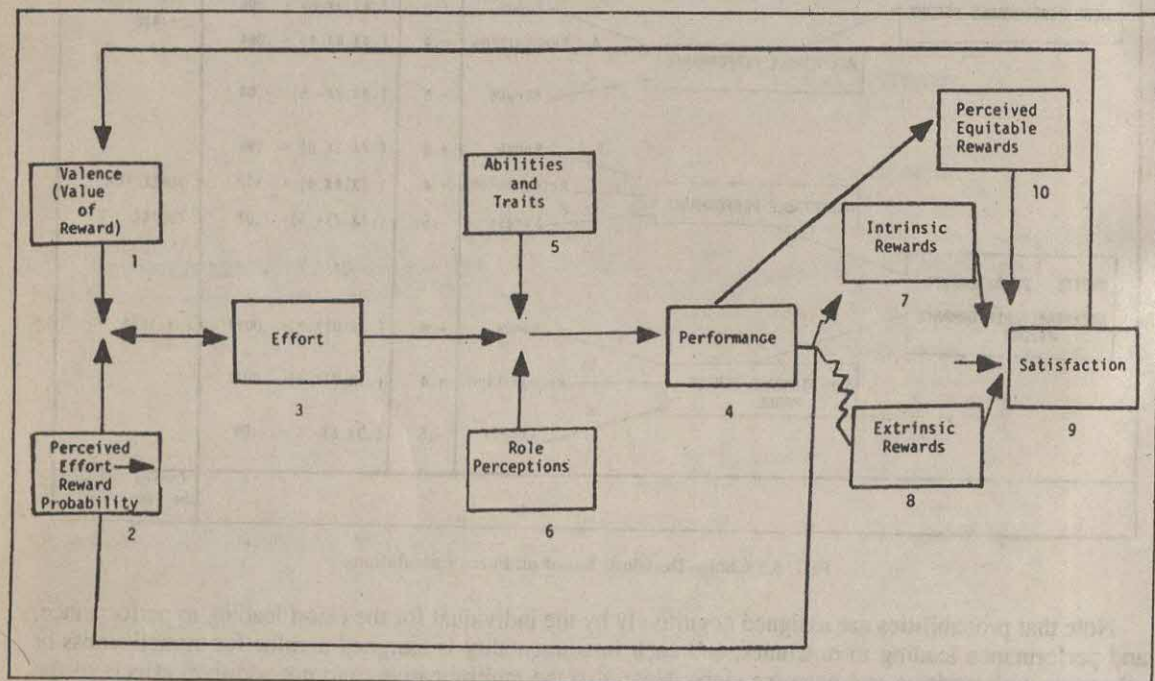


FIG. 5.6 Porter and Lawler Model

The model indicates that people first try to figure out whether the rewards that are likely to be received from doing a job will be attractive or valent to them (Box 1). For a person who is looking for more money, for example, extra vacation time may not be an attractive reward. If the reward to be obtained is attractive or valent, then the individual will decide to put in the necessary effort to perform the job. If the expected reward is not valent, he will lower his effort. In addition, before people put forth any effort, they will also try to assess the probability of a certain level of effort leading to a desired level of performance, and the probability of that performance leading to certain kinds of rewards (Box 2). Based on the valence of the reward, and the effort reward-probability, people then decide to put in a certain level of work effort (Box 3). The effort put in will lead to the expected level of performance (Box 4) only if the individual has the requisite abilities and traits to perform the job (Box 5). Abilities include job knowledge, skills, and intellectual capacity to perform the job. Traits such as endurance, perseverance, and goal-directedness are also important for many jobs. If these are absent, the effort put in will not lead to the desired level of performance. Thus, abilities and traits will moderate the effort-performance relationship. In other words,



only those who have the requisite abilities and traits will perform the job well when they put forth the effort; the others will not.

In addition, the individual performing the job should also have accurate role perceptions (Box 6). Role perception refers to the way in which people define their jobs. We often hear managers say that the job is what the employee makes of it. Some people may take on additional responsibilities and expand the scope of their job. Others may avoid some aspects of their job and hence narrow its scope. Thus people may perceive their roles (job behaviours) differently. The accuracy of role perceptions is another variable that moderates the effort-performance relationship. That is, only those who perceive their role as it is defined by the organisation, will be able to perform well when they put forth the requisite effort. For instance, a machinist who has recently been promoted as a supervisor will not be able to effectively get the job done through others, if he still clings on to his former role as a machinist working hard on the machines himself. His role after promotion is to supervise other machinists and get the job done through them so that the production level in his department goes up. However, if he still expends all his effort in doing the job himself, he is going to be an ineffective supervisor and his performance (as a supervisor) will be poor despite all the efforts he puts in. Thus, both abilities and traits, and accurate role perceptions, moderate the relationship between effort and performance.

Performance leads to certain outcomes in the shape of intrinsic and extrinsic rewards. Intrinsic rewards (Box 7) are those feelings of joy, self-esteem, and sense of competence that individuals feel when they do a good job. Extrinsic rewards (Box 8) are those external rewards that are given by others in the work environment, either in the form of more money, recognition, or praise. Both intrinsic and extrinsic rewards provide Satisfaction (Box 9) to the individuals. However, the rewards — satisfaction relationship is moderated by the perceived equitability of rewards (Box 10). That is, satisfaction will be experienced only when the person feels fairly and justly rewarded for his or her efforts; not otherwise.

### *Significance of the Porter and Lawler Model*

Porter and Lawler's model is of great significance to managers since it sensitises them to focus attention on the following to keep their employees motivated:

1. Put the right person on the right job (match abilities and traits of individuals to the requirements of the job);
2. Carefully explain to employees what their role is, and make sure they understand it;
3. Prescribe in concrete terms the actual performance levels expected of the individuals (output quantity, waste control percentages, number of customers to be serviced, number of customer complaints that will be tolerated, etc.); and
- (4) Make sure that the rewards dispensed are valued by the employee. That is, find out what rewards are attractive to the employee and see if such rewards can be given to them.

If high levels of motivation are to be induced, managers should ensure that employees perceive a direct link between performance and desired rewards. If significant changes in performance levels are desired, the rewards dispensed must also be significant and valued enough by the employees to change their effort levels. The Porter and Lawler model is useful in understanding the dynamics of motivation at the workplace.

Thus far, we have looked at equity and expectancy theories and Porter and Lawler's integrated and comprehensive model. We will now examine Goal Setting which is also a cognitive process through which people are energized to engage in work behaviour.

### *Goal Setting Theory*

Edwin Locke (1968) perceived behaviour to be determined by two cognitions—values, and intentions or goals. For instance, if a person has a high work ethic value, then he or she is likely to set a high performance goal and work towards a high level of performance. Actual work behaviour then becomes a function of values and goals set by the individual. The manager can motivate employees by setting goals which are jointly decided by both. Research by Latham and Yukl (1975) has indicated that four important



requirements should be met in the task goal setting process if employees are to be motivated to perform well on their jobs. They are: goal specificity, goal difficulty, goal acceptance, and feedback. These are now discussed.

**Goal Specificity** Goals that are set should be clear and specific. In other words, the employees should know what exactly is expected of their performance both in terms of quantity and quality. Such knowledge reduces ambiguity or confusion that may exist. The individual can then expend effort and concentrate on the achievement of a well-defined final output. Results of research in this area also indicate that setting specific performance goals is a better motivator and achieves better results than asking employees to "do their best".

**Goal Difficulty** Goals that are moderately challenging motivate people better than easy goals. This is especially true for high N.Ach individuals as discussed in the previous chapter. Thus more difficult goals, rather than easy ones, serve as motivators.

**Participation in Goal Setting and Acceptance of Goals by Employees** When goals are set jointly by the superior and the subordinate, the likelihood of the latter accepting the goal and becoming committed to it is greater. Goals are accepted by employees when they are in consonance with the employees' own value system. Once there is acceptance and commitment to the goal, the employee will be motivated to put forth greater effort and perform well.

**Feedback on Goal Effort** Goal setting is an effective motivator when the employee receives periodical feedback on how much progress he or she is making towards goal attainment. Feedback helps inasmuch as it keeps the employee's goal directed behaviour "on target" and stimulates the person to put in greater efforts.

### **Management by Objectives**

Management By Objectives (MBO) is a technique used by managers in some organisations to motivate employees to perform well by using the goal-setting technique described above. In addition, managers also help the individuals to work out a detailed plan of action for reaching the goals. For instance, both the superior and the subordinate discuss the goals to be accomplished, the resources that will be needed to reach the goal, the time frame in which the activities will occur, and any mutual expectations they may have.

When MBO programmes do not work well, it is often due to one or more of the following reasons:

1. The managers unilaterally set the goals and expect the subordinates to accept them without reservation;
2. Adequate resources are not provided;
3. Feedback is not provided to the subordinates on how well or poorly the individual is making progress towards goal attainment; and
4. When the goals are met, the subordinates are not appropriately rewarded.

Managers can make effective use of MBO only if:

1. they focus on specific goals that are accepted by the subordinate;
2. decide on a plan of action for achievement of the goals which is worked out by both;
3. give useful and periodic feedback on progress made, and counsel employees on what, if anything, they need to do further for goal accomplishment, and
4. dispense equitable rewards to the subordinates for their performance when goals are accomplished.

### **Managerial Implications of Goal Setting**

The success of goal setting as a motivational technique is largely a function of the manager carefully following all the steps outlined above. Goal setting is a powerful motivator and can be used even in service organisations where the output is not easily quantifiable. Goals can be set in such organisations in terms of



servicing time, customer complaints, customer satisfaction levels, and other factors as would be appropriate to the managerial responsibilities at hand.

### **Motivation Through Job Design**

Employees at the work place can also be motivated through jobs which are designed to meet their needs at work. For instance, by introducing more challenge in the job, employees who have a high need for achievement will be motivated. In this chapter we will discuss Herzberg's Dual Factor Theory which highlights the motivational aspects of the job, and elaborate on job design as a managerial responsibility in chapter 13.

### **Herzberg's Dual Factor Theory**

Fredrick Herzberg and his associates (1959) were the first to identify that there are two sets of factors in the work setting that affect employees' job attitudes. Herzberg stated that certain aspects of the work itself or specific rewards derived from one's work such as a sense of achievement, recognition, growth, and advancement, stimulate and motivate people to work. Other factors in the work setting such as conditions in the work environment, (for example, supervision, and company policy) do not directly motivate or satisfy employees, but the absence of these factors would cause dissatisfaction to the employees. He called the first set of factors "motivators" or satisfiers and the second set of factors "hygiene" factors or dissatisfiers. The point made by Herzberg is that satisfaction and dissatisfaction are two different factors (hence the name dual factor theory). In other words, the opposite of dissatisfaction is not satisfaction. To put it yet differently, a person can be dissatisfied with the working conditions, and at the same time, be satisfied with the work. It is the job content (work itself) that satisfies and motivates people and it is the job context (work environment) that makes people dissatisfied. Herzberg's Dual Factor theory is also known as the Motivation-Hygiene theory.

Herzberg used a "critical incidents" technique in his research; that is, he asked respondents to identify specific incidents, events, or situations when: 1. they felt most satisfied; and 2. they were most dissatisfied. Analysing the responses collected by him from over 1600 workers in various types of jobs in 12 different studies, Herzberg developed his Dual Factor theory. The motivators and satisfiers that he identified are illustrated in Figure 5.7.

HYGIENE FACTORS RELATING TO THE WORK CONTEXT (DISSATISFIERS)	MOTIVATORS RELATING TO THE WORK CONTENT (SATISFIERS)
COMPANY POLICY AND ADMINISTRATION	ACHIEVEMENT
SUPERVISION	RECOGNITION
RELATIONS WITH SUPERVISOR	
RELATIONS WITH COWORKERS	WORK ITSELF
RELATIONS WITH SUBORDINATES	
WORK CONDITIONS	RESPONSIBILITY
STATUS	
SECURITY	ADVANCEMENT
PAY	GROWTH

FIG. 5.7 Herzberg's Dual-Factor or Motivation-Hygiene Theory



### **Criticism of Herzberg's Theory**

Herzberg has been criticised for using the critical incidents technique. It has been argued that this technique has biased his results since people usually have a tendency to identify dissatisfying events (hygiene factors) as being experienced due to factors in the environment which are beyond their control such as company policy, etc. People, however, associate satisfying events (motivators) as being experienced due to their own efforts and interactions with the work.

Criticism against Herzberg's work has also emanated from subsequent research, some of which indicate that the same factors that cause job satisfaction to some, cause dissatisfaction to others. It has also been argued that a given factor can cause both satisfaction and dissatisfaction to the same group of coworkers (see for instance, Steers and Porter, 1983). Even though Herzberg's theory has been criticised for the above reasons, Herzberg has been able to replicate his original findings. Some researchers also defend the underlying logic of his theory (see for instance, Brockman, 1971; Grigaliunas and Herzberg, 1971).

### **Herzberg's Contribution**

The contribution that Herzberg has made is in sensitising managers to the fact that merely treating the employees well through good company policies and the like, is not sufficient to get them motivated. Managers should utilise the skills, abilities, and talents of the people at work through effective job designing. In other words, the work given to employees should be challenging and exciting, and offer them a sense of achievement, recognition, and growth. Unless these characteristics are present in the job, employees will not be motivated.

Herzberg can be said to be the father of job design theory which has been subsequently developed more completely by Hackman and his associates. Hackman and others argue that good job design will lead to internal motivation of the workers and result in good job performance and employee satisfaction. This is more fully discussed in Chapter 13 on job design.

### **Summary**

It is not merely enough to attract employees to an organisation, but it is also important that managers motivate their employees to perform well and keep them interested in remaining in the organisation. That is, managers must create conditions at the workplace that will enable the workers to sustain their interest in the organisation and motivate them to contribute beyond their routine performance. Various content and cognitive theories of motivation were discussed in this chapter. The Porter and Lawler model was elaborated on since it is one of the most comprehensive models developed thus far which takes several moderating variables into consideration for predicting the effort-performance-satisfaction relationships.

Having discussed the need theories, the cognitive theories (including goal theory), and job design theory as useful ways of understanding how managers can motivate employees at the workplace, we will examine in the next chapter, the role of Reinforcement theory, which is acognitive, as a motivator.

### **Discussion Questions**

1. How does understanding the subtle differences among the concepts of motive, motivation, and motivating, really help managers?
2. What are the similarities and differences between Maslow's Hierarchy of Needs and Alderfer's ERG theory? Is one superior to the other? Discuss.
3. What is Need Achievement theory and how does it fit in with Maslow's and Herzberg's theories? Discuss fully.
4. Explain the concept of Sense of Competence and how a manager can apply the concept to motivate employees.
5. What is meant by equity and how can perceived inequities be motivators? Give some examples from your own experience to explain this.
6. What is meant by the concepts: Expectancy, Instrumentality, Valence and Force?



7. In your own words, explain Porter and Lawler's Model, and how managers can benefit from understanding the model.
8. What is Goal-setting theory all about?
9. Under what circumstances would MBO not work?
10. Describe your own pattern of needs and discuss the kind of work environment that will be most satisfying to you in terms of fulfilling your needs.

## Exercise

### Purpose of the Exercise

This exercise is for you to get a feel for the dilemmas experienced by managers as they make decisions on reward allocations. Put yourself in the position of Mrs. Chitre in the case described below and applying the theoretical issues and considerations involved in using money as a motivator, make decisions on how to allocate the rewards.

### Steps to Follow

1. First read the case individually and make your own personal decisions on how much to allocate, to whom, and on what basis.
2. Get into groups of four or more as desired by your instructor. Then discuss your allocations and the basis on which they were made. Try to arrive at a group consensus on the allocation of the rewards. Elect a spokesperson to present your group's decision and the rationale for it.
3. Your instructor will call on each group to report your decision and the class will discuss the issues involved.

### The Allocation of Rewards Dilemma

Mrs. Shalini Chitre, the manager of the all women's Chitraguda branch of the Sumita Bank in Bangalore, was in a quandary. She had seven officers who had toiled night and day during the "Small Savings Deposits Week" when the branches were supposed to be launching an intensive mobilisation of small deposits from the lower middle income families. As a token of their appreciation for the efforts of the branch, the Head Office had awarded a lumpsum of Rupees six thousand and left it to Mrs. Chitre to reward the officers in any way she thought fit. Mrs. Chitre was pleased that the Head Office had recognised the efforts of the branch, but was not sure how she should distribute the Rs. 6,000 among the seven officers. She generated some information on each of the officers, as detailed below.

1. Miss Sandhya Rao: Has been with the bank for three years. Has a Masters degree in economics; comes from a wealthy family and has excellent connections. Office gossip is that she attracted Rs. 60,000 in small savings only because so many of her friends and others had canvassed on her behalf and worked with her.
2. Mrs Saroj Krishna: Has four years' service with the bank. Has mobilised a little more than Rs. 42,000 during the drive. She is the mother of three children and is admired by all in the office for her professional performance as well as for managing a happy family. The nickname for her at work is "The Super Woman".
3. Mrs. Malini Rao: Has put in eight years of service in the bank. Deposits mobilised are about Rs. 20,000. She is a matriculate and the bank had offered her a clerical job eight years ago when her husband, a supervisor in the bank, had died in a plane crash. Mrs. Rao was promoted as a supervisor in the branch three years after she joined, and due to her excellent performance, was again promoted as an officer last year. The staff has a high regard for this lady who is providing college education to three of her children without any outside help, and is so very dedicated to her job.
4. Miss Sudha Pande: Joined the bank three years ago. Has mobilised about Rs. 20,000 in deposits mainly from the lower income groups among the scheduled caste workers—a population extremely difficult to reach and mobilise deposits from. Miss Pande is understandably proud of her achievement, and has been



applauded by Mrs. Chitre for her unique efforts and performance.

5. Miss Usha Raj: Has been with the bank for five years. Mobilised Rs. 25,000. Is a very hard-working officer. Has been supporting six brothers and sisters ever since her father died two years ago. Is always willing to take on additional responsibilities and very ambitious about her future career. Has often stated that she is wedded to her career!

6. Miss Jyothi Hemmadi: Joined the bank less than two years ago. Although new to the city, still mobilised about Rs. 19,000. She has, in Mrs. Chitre's opinion, the greatest potential among the seven officers to move up to a high position in the bank. Miss Hemmadi has intelligence, charm, wit, and a mature outlook.

7. Miss Amanda Roy: With the bank for 10 years. Mobilised Rs. 48,500 by way of deposits. Considered by colleagues and employees as rather conceited and haughty. She has practically no friends in the bank. Performance as an officer varies from excellent to average performance. She either puts her heart and soul into the work and works night and day, or she just seems indifferent!

## A Case Study

### Part One: Sales Incentives at Priya Pharmaceuticals

Mr. Ram Mukherjee, the Regional Sales Manager for the Tamil Nadu division of Priya Pharmaceuticals Co. Ltd., for the last six years, has four area managers reporting to him. Mukherjee was promoted and transferred from Delhi to Madras at a time when the company's sales in the South were continually falling. Mr. Atulya Ghosh, the President of Priya Pharmaceuticals, was impressed with Mukherjee's performance in Delhi and his innovative ways of motivating the salesforce. Mr. Ghosh thought the South would get a "shot in the arm" if Mukherjee took charge of the South as the Regional Manager. Promotion and transfer orders were issued and gladly accepted by Mukherjee.

Mr. Mukherjee made many changes in the organisation of the Southern region and introduced various types of incentives for the area offices, the salesforce, and for various cadres of field personnel. For instance, the top three salespersons and the top three field supervisors who had the greatest volume of sales generated by the field force under them, and the three area offices that had the highest sales record received special recognition. Awards and rewards were in the form of cash prizes, radios, T.V. sets, paid vacation for a week to Kashmir, plaques inscribed with names, trophies, certificates of merit, and the like, suited to the level of performance. The top three performers from each region and local office, and the top three from among the area supervisors, field supervisors, and salespersons were recognised and rewarded at the end of the year in a public ceremony held at Madras where the recipients of the awards were flown in with all transportation costs paid.

Within two years of Mukherjee's taking charge of the Tamil Nadu region, there were dramatic changes in the sales figures. The last two years have been so good that Tamil Nadu is among the first three top performers in the whole country—an impressive record considering the state of affairs just six years ago! However, there was one fly in the ointment. A few salesmen and field supervisors working in the rural areas of Pennathur, Sumaithangi, Kotur and such other places were frustrated and discouraged. The harder they tried, the less they seemed to sell. Their areas were economically depressed and the village population just did not have the money to buy medicines, even though the children and the older farmers were constantly falling sick. The municipal doctors and the corporation dispensaries had limited funds and their placement of orders for the high quality drugs of the company was very low. These facts were brought to the attention of the regional office by the area managers, but it was obvious that nothing was being done. Somebody was perhaps sitting on the matter! The salesmen and field supervisors in the rural areas were constantly complaining and seemed disgruntled. The area managers were concerned about this, but did not know what else to do to resolve the matter.



## Part Two: The Rejected Good Offer

Ten days ago, during the Regional Managers' Conference at Delhi, Mr. Ghosh had invited Mr. Mukherjee to see him in his office on Friday, the last day of the conference. After the usual greetings, Ghosh informed Mukherjee that he was considering him for the Vice President's position, an unexpected vacancy that will soon arise when Dr. Rajiv Bhat prematurely retires in August for reasons of health. Ghosh was certain that Mukherjee would jump at the offer. But as things turned out, Mukherjee's reaction to the proposal was far from enthusiastic. Mukherjee hemmed and hawed and after a few minutes replied, "I am very honoured that you have considered me for this position, Mr. Ghosh. I am extremely gratified that you have such a high opinion of my abilities and professional skills, but I think this is not a good time for me to move from Madras. My children are finally settling in the school and are starting to make good progress. My wife and I have made many friends in the area and enjoy the beauty, quiet, and peace of the South. Moreover, I am now active in a number of voluntary organisations such as the Social Service Institute, the Youth Organisation, and the Fine Arts Academy, and these are not only enjoyable activities, but are very beneficial for the publicity of our company also. I guess I am not ready for a transfer just yet, even if it is on promotion. I can, of course, use more money, but I want my family—especially my three children to experience some stability in their lives. Three years from now, I am sure I would be itching for a change. I hope at that time, when an opportunity arises, you will still consider me for promotion. I hope you understand why I am not in a position to accept your present kind offer, Mr. Ghosh."

Mr. Ghosh simply smiled and said, "Don't make up your mind just yet Mukherjee, take time to think about it. Talk this over with your wife also, and we will have another talk when I visit Madras next month."

Frankly, Ghosh was rather upset at Mukherjee's reply. "I thought he had more ambition and sense than that, the fool!" Ghosh muttered to himself.

### Required:

1. Analyse the Case in Part I.
2. For Part II, analyse the reasons for Mukherjee's reactions and Ghosh's disappointments.

N.B.: Make sure you use the concepts and theories discussed in this chapter.



# 6

## Reinforcement and Motivation-Performance Relationships

Content and cognitive theories of motivation postulate that inner motives and cognitive processes influence the behaviour of individuals. Reinforcement theory, however, explains behaviour as an involuntary reaction to environmental stimuli.

### Reinforcement Theory

Reinforcement theory suggests that it is possible to predict behaviour without trying to understand the internal thought process of individuals. Reinforcement theorists believe that environmental consequences mould the behaviour of people. For instance, if Usha found a one rupee coin on the ground as she was taking her evening walk ten days ago, and again found a 50 paise coin yesterday during her evening walk, she is very likely to involuntarily look at the ground as she takes her daily walks in the future. The past pleasant positive outcomes will automatically and involuntarily make her turn her eyes to the ground. Such behaviour is automatically exhibited due to the environmental stimuli she was exposed to on the previous two occasions and not because of any deliberate or conscious thinking on her part. For instance, it is not as if she would have reasoned within herself and concluded, "I found the two coins previously only because I had my eyes turned to the ground. If I continue to do so, I will find more and more coins. So, in the future, whenever I take walks I will always focus my vision on the ground". If she had reasoned in such a manner, it would be a cognitive process. However, her behaviour is an involuntary response to the environmental stimuli she had experienced before and hence is acognitive. Reinforcement theory subscribes that human behaviour is a function of individuals' responses to environmental stimuli.

Edward Thorndike (1911) laid the foundation for the reinforcement theory when he explained the "law of effect" as follows: "Behaviours that result in pleasing outcomes are likely to be repeated, and behaviours which result in unpleasant outcomes are likely not to be repeated".

Thorndike's law of effect has implications for the behaviour of employees at the workplace. Behaviours that are reinforced by managers will tend to be repeated and those that are not, are likely to be substantially reduced or totally eliminated. Thus, reinforcement theory can be applied in the worksetting as managers learn how to use "behaviour modification" through reinforcement.

B.F. Skinner, the well-known psychologist used the term "operant conditioning" to describe the process of controlling behaviour by manipulating its consequences (Skinner, 1969). Operant conditioning is actually "learning through reinforcement". The term operant conditioning was used with respect to shaping the behaviour of animals. Skinner (1953), for instance, used operant conditioning when he taught pigeons to play "ping-pong" by rewarding them with food whenever they exhibited behaviours that were appropriate



to the game. When operant conditioning techniques are used to control the behaviour of human beings (as opposed to animals), the term behaviour modification is used.

Organisational behaviour modification or OB Mod as it is commonly referred to is, according to Luthans and Kreitner (1985), the systematic reinforcement or strengthening of desirable behaviours of employees and the non-reinforcement or punishment of unwanted behaviours exhibited by organisational members.

### **Reinforcement Strategies**

There are four basic strategies of reinforcement used in OB Mod. They are: Positive Reinforcement, Negative Reinforcement, Punishment and Extinction. In addition, Shaping—a method of introducing new desired behaviours in employees—is also a technique which uses reinforcement principles.

#### **Positive Reinforcement**

Positive reinforcement is used to increase the frequency and strength of desired work behaviours by making the reinforcement (i.e., the consequence desired by the employee) contingent on the occurrence of the desired behaviour in the employee. For instance, a manager may express appreciation to an employee who handled a tough customer with tact; a manager might nod approvingly and smile at a typist who typed an urgent letter within a very short time without any mistakes. Positive reinforcement, as illustrated in the two examples involves rewarding a desired behaviour with some form of recognition and approval which makes the employee happy, and encourages him or her to repeat the same behaviour.

#### **Negative Reinforcement**

Negative reinforcement increases the frequency and strength of a desired behaviour by making it contingent upon the avoidance of undesirable consequences for the employee. For example, a clerk who has been reprimanded by the supervisor for coming late to work every day for the past four days, is not chided on the fifth day when he is on time to work. Or, a person who has consistently failed to meet the production target and has been "yelled at" daily by the foreman is not "chewed out" on the day he meets his production quota. In these two cases, something that was aversive or noxious to the employees has not been enforced (i.e., they have been withheld). Just to avoid the unpleasantness in the future, the person will try to exhibit the desired work behaviours. Thus negative reinforcement implies that the mere anticipation of noxious stimuli from the environment by the employee will reinforce the desired behaviours.

#### **Punishment**

Punishment is used to decrease the frequency or weaken an undesired behaviour by making it contingent on the occurrence of an undesired consequence for the employee. For example, if an employee comes late to work more than two times a month, the manager might count each additional late attendance as a day's earned leave lost. The employee is thus punished (that is, has to forfeit leave) which serves as a lesson for not coming late at least for the rest of that month. Another example would be an interruption in the service records for employees who participate in a strike. In this case, not only do the striking employees lose their pay during the strike period but they will also have a break in their service record which will adversely affect their retirement and other fringe benefits. Such a punishment meted out would make employees think twice before they join the strike.

The difference between punishment and negative reinforcement is that in the former case, a noxious consequence is *applied* to decrease the frequency or strength of an undesired behaviour, whereas in the latter, a noxious consequence is *withheld* when a desired behaviour is exhibited.

**Side-effects of Punishment** Punishment can have undesirable side effects if administered too frequently or for a considerable length of time. Strong emotional reactions such as anger, hatred, or fear may ensue, and may result in aggressive behaviours at the workplace. Assaulting an officer, hitting the supervisor, engaging in acts of sabotage, and such other dysfunctional and detrimental behaviours can result in extreme



cases. Some employees may indicate physical or psychological withdrawal symptoms when they are punished, which could manifest in late attendance, absenteeism, emotional resentment, distancing oneself from the job, and the like.

Thus, even though in the short term, punishment may seem to be effective, it is likely to have long term detrimental effects in many instances. This does not mean that punishment should never be given, but that it should be administered judiciously. The punishment meted out should be appropriate to the seriousness of the dysfunctional or undesired behaviours exhibited by the individual.

### **Extinction**

Extinction refers to the weakening and ultimate elimination of an undesired behaviour by making it contingent on the removal of a desirable consequence for the employee. Extinction involves three steps: (1) identifying the behaviour that needs to be eliminated; (2) identifying the reinforcers which encourage the behaviour that is desired to be eliminated; and (3) stopping the reinforcers. For example, an employee who is constantly cynical and makes snide remarks to his supervisor, may be receiving social approval from his colleagues by way of smiles every time he says something sarcastic or rude. The supervisor may, in this case, talk to the colleagues who reinforce the behaviour and ask them not to smile and encourage him in the future, and they may comply. In due course of time, the employee will stop making cynical remarks since he is not being reinforced by his colleagues. An undesirable behaviour can thus be effectively extinguished by withholding the reinforcers.

### **Shaping**

Shaping is the creation of a new target behaviour that is desired, but is currently beyond the existing capabilities of the employee. This behaviour is shaped by reinforcing successive approximations of the final target behaviour—that is, by reinforcing small incremental steps taken by an individual towards reaching the desired goal. For example, a manager might want her loan officer to process 25 loan applications per day and consider the current maximum of 13 applications processed daily by the newly recruited loan officer as inadequate. The manager can reinforce the new employee every time she makes incremental progress. For instance, the first time the loan officer processes 15 applications, the manager could reward her through praise. When the officer processes 17 applications, she would again be reinforced, and the reinforcement will continue every time a new target is achieved which is closer to the ultimate goal. The target set for processing 25 applications daily, will thus be reached and the desired behaviour will have been shaped.

### **Effectiveness of Reinforcement Theories**

Reinforcement, to be effective, should be contingent on the occurrence of the desired behaviour. The Law of Contingent Reinforcement states that in order for a reward to have maximum reinforcing value, it must be delivered only if the desired behaviour is exhibited. The Law of Immediate Reinforcement prescribes that the more immediate the delivery of the reward after the occurrence of a desired behaviour, the greater the reinforcing effect of the reward on behaviour. Thus, to elicit desired behaviours two principles must be followed: the reinforcement should be administered only if the desired behaviour is exhibited and immediately after it is exhibited. Thirdly, the size and form of reinforcement should fit the behavioural response that is desired to be repeated. For instance, if an employee's suggestion saves the organisation lakhs of rupees every year, the manager will not be reinforcing the employee to make similar valuable suggestions in the future by simply smiling approvingly at him and giving him a pat on the back. The reinforcement will have to be in the form of a sizable monetary reward which constitutes at least a significant portion of the first year's savings! Otherwise, the probability of the employee making another good, useful, and valuable suggestion in the future will be very low. In other words, the desired behaviour on the part of the employee to make worthwhile suggestions will not be reinforced. In this particular case, if a sizable reward is not given to our imaginary employee, the entire organisation is inadvertently likely to be reinforced *not* to make any suggestions that will benefit the organisation!



In sum, managers have to ensure that reinforcement is: made contingent on desired behaviours immediately following the desired behaviour, has an appropriate mix of positive and negative reinforcement strategies, and is appropriate to the behaviour exhibited. Managers will be well advised to try and use a mix of positive and negative reinforcement strategies, with positive reinforcements outnumbering the others. It is equally important for managers to remember that failing to respond to undesired behaviours is tantamount to reinforcing the undesired behaviours. Managers should therefore carefully examine behaviours that are functional and those that are dysfunctional at the workplace and use reinforcements appropriately. Employees should be made aware of the types of behaviours that would be reinforced and should be clear about what they do right or wrong. The consequences of behaviour should match the behaviour. In other words, employees should be reinforced fairly, consistently, and equitably.

### Schedules of Reinforcement

Reinforcements work effectively when they follow some schedules or patterns. Reinforcements can be either continuously administered or they can be sporadic. The sporadic or intermittent patterns of reinforcement can also be administered in several ways.

#### *Continuous and Intermittent Reinforcement Schedules*

Reinforcement schedules refer to the timing or manner in which the consequences are made contingent on employee behaviour. Reinforcement can be continuous, that is, every time a behaviour occurs, a reinforcement can be given, or it can be intermittent, that is, the reinforcement need not be given every time a behaviour occurs but can be administered sporadically. Continuous reinforcement helps to direct behaviours towards desired goals quickly, since desired behaviours are constantly reinforced. However, it is more expensive to administer, especially if monetary rewards are used as reinforcement. Behaviours reinforced through a continuous reinforcement schedule are also likely to weaken very rapidly once the reinforcements are stopped.

Intermittent reinforcement can be based on either a time frame or behaviour response pattern. Intermittent schedules of reinforcement tend to be slow in establishing the desired behaviours, but once established, the behaviours also tend to be sustained after the reinforcements are stopped.

There are four types of intermittent reinforcement schedules based on intermittent time intervals and intermittent behavioural responses. The Fixed Interval Schedule and the Variable Interval Schedule relate to the time frame in which the desired behaviours are reinforced and the Fixed Ratio Schedule and the Variable Ratio Schedule relate to reinforcement based on the number of times the desired responses are repeated.

**Fixed Interval Schedule** Fixed interval schedule refers to the intervals of time when behaviours will be rewarded. It could be hourly, weekly, daily, monthly, and so on. For example, organisations reinforce desired behaviours in employees (say, for instance, being an acceptable member of the organisation) by paying their salaries on a monthly basis. Contractors pay daily wages to coolies and other workers, reinforcing their behaviours of doing a good day's work for a good day's pay. These are reinforcements based on a fixed interval schedule.

**Variable Interval Schedule** A variable interval schedule rewards desired behaviours at random intervals of time. A manager, instead of praising an employee for doing good work, every day or at some fixed intervals of time, can praise the worker today, again after five days, and yet again after 15 days. An example of a manager administering a variable interval reinforcement schedule would be his patting a good employee whenever he takes unscheduled visits to the shopfloor. This kind of reinforcement is easy to administer and the desired behaviours are also sustained over time.

**Fixed Ratio Schedule** A fixed ratio schedule is followed when reinforcements are given every  $n$ th time (at a fixed ratio) a desired behaviour occurs. An example of this will be a Suggestion Scheme Department giving a "certificate of commendation" after every fifth suggestion accepted by the department from an employee.



**Variable Ratio Schedule** A variable ratio reinforcement schedule is followed when behaviours are rewarded randomly in terms of the number of times they occur. For instance, a manager may reinforce a person sitting late to complete her job the first time the person stays late, and not reinforce the same behaviour for the next three times, but reinforce it the fifth time she stays late, and again the eighth time she stays late and so on.

### ***Implication of Reinforcement Schedules and Reinforcement Theories for Managers***

Variable schedules are found to result in more consistent and enduring patterns of desired behaviours than fixed reinforcement schedules. It would be a good idea for managers to: (1) reinforce an employee on a continuous basis in the initial stages; (2) after a while switch over to fixed interval or a fixed ratio schedule; and (3) later, switch to variable schedules, so that the desired behaviours are both quickly initiated and sustained over time.

We have thus far examined Reinforcement theories and how they can be used to motivate employees in work organisations to behave in ways that would be functional for the organisation. Since monetary rewards are strong reinforcers, we will now briefly look at money as a motivator.

### **Money as a Motivator**

At first thought, money may seem to belong in the realm of rewards that satisfy our lower level needs. For example, it is through money that our physiological needs are satisfied since money is mostly used for buying our food, clothing, and shelter. Thus money can be used as a motivator to satisfy the physiological needs. Especially in our country, where millions of people are barely at the subsistence level, money definitely satisfies our lowest level needs and is often used as a powerful motivator. But money goes beyond satisfying the physiological needs. Money satisfies our security needs (money in the bank is a security against future wants, at least to some extent), and also our ego or self-esteem needs because people often respect us and place us in the category of "esteemed members of society" based on our bank balance, wealth, and other assets.

Interestingly enough, money plays other roles as well, which are of critical importance to organisations. First, money is a determiner of equity for employees in organisations. Two equally qualified and experienced employees in the same department who are paid different salaries for identical work performed and of the same quality, are likely to cause problems for the organisation in overt and covert ways as discussed in the earlier chapter on Motivation. Quite frequently, unions are formed as a result of taking adversarial positions with management when there are perceived inequities which seem intolerable to organisational members. Thus money can, through perceptions of inequity, create problems for the organisations. Secondly, money often acts as a substitute for other things denied by the organisation to its members. For example, if educated employees are recruited in an organisation and are given routine jobs where they cannot use their knowledge and skills, their frustration will manifest itself in asking for more money as a compensation for boring jobs (Sekaran, 1985). This is most likely to happen in a country such as ours where employees have limited opportunities to find alternative jobs elsewhere. Thus, money can be a means of seeking compensation for what the organisation has not provided its members (satisfying jobs, challenging work, etc.). In such cases, there is a possibility that even highly paid employees are likely to ask for better pay since their need for achievement is never likely to be satisfied and they do not have access to other jobs.

What this means is that if money is solely used as a motivator, it may not always work, because money has many faces. It means different things to different people. Managers often wonder why employees are disgruntled when they are being paid handsome salaries for doing simple tasks (as in the banking industry). Money cannot be a motivator if employees have their needs for achievement, affiliation, power, growth, and self-actualisation still crying out to be satisfied —needs that cannot be satisfied by money alone.



## The Relationship between Motivation and Performance

Motivation is necessary for performance. It goes without saying that if people do not feel inclined to engage themselves in work behaviour, they will not put in the necessary effort to perform well. We have already seen that unless a person has the necessary abilities and the right qualifications to do the work, and perceives his or her role accurately, mere motivation to do the job will not result in effective performance. In addition to letting the employees know what is expected of them and what their goal accomplishment should be, the manager should also provide the necessary resources, and give adequate support to employees to get the job done. Support can be given in the form of encouragement, providing resources, offering guidance whenever necessary, and in general, helping the employee to develop a sense of competence, so that both intrinsic and extrinsic motivation are developed and the employee performs the job well. For sustained motivation and performance, of course, valent rewards should be given, and the rewards have to be perceived as equitable. Thus, even the intrinsically motivated person has to be rewarded on the same basis as the extrinsically motivated individuals are. Given these types of interrelationships among the various factors, it is possible to diagram the intricate "motivation-performance" relationship as in Figure 6.1 (adapted from Sekaran, 1977).

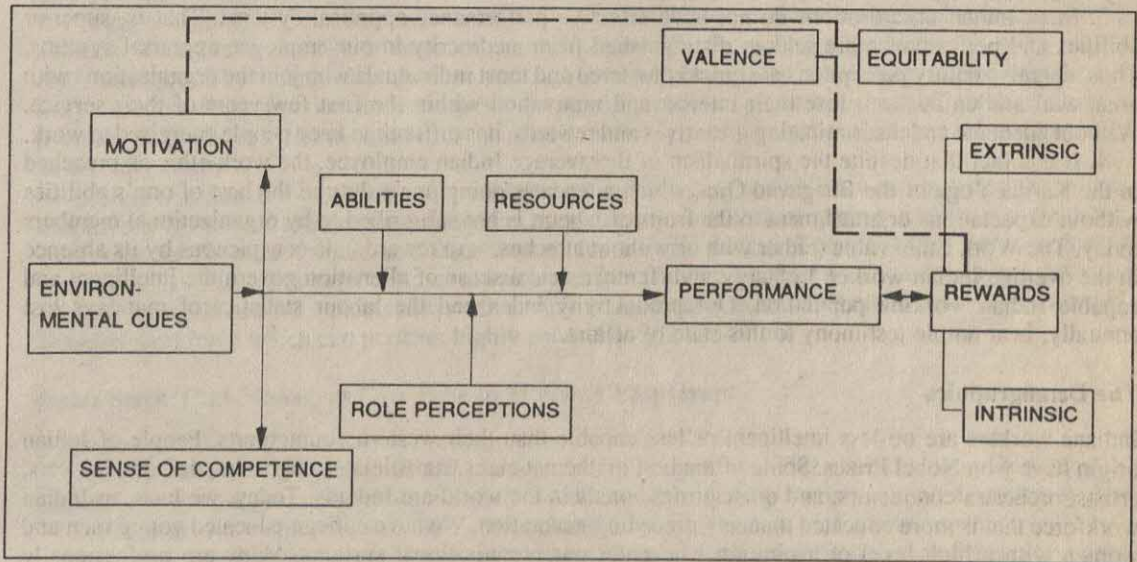


FIG. 6.1 The Motivation-Performance Relationship Contingencies

The double headed arrow between Motivation and Sense of Competence indicates that the two variables mutually influence each other. That is, the more motivated the individual, the more likely the person is to interact with the work environment and enhance his or her sense of competence through success experiences. These success episodes will, in turn, make the individual desirous of engaging in work behaviour even more. This has been empirically established with a sample of bank employees (Sekaran, 1986, 1989, in press).

Motivation and sense of competence will both lead to performance if: (1) the individual has the necessary abilities and traits; (2) perceives his or her role correctly; and (3) gets support from the organisation. Performance will then lead to rewards, both intrinsic and extrinsic. If the rewards given are valent to the individual and are perceived as equitable, there will be sustained motivation which will repeat the cycle just described. Thus, there are some intricate contingent relationships in the model which managers have to be aware of.



## Motivational Techniques for the Indian Manager

All the concepts and theories discussed in this chapter have been developed in the West. To what extent are these theories applicable to India? Let us examine this question carefully.

### The Indian Scene

There are some basic differences between India and the United States from where most of the concepts discussed so far have emanated. The following differences have to be noted in India:

1. Jobs are rather restricted and employees do not have the luxury of moving from one organization to another or from one job to another in quest of need satisfaction. In other words, most of the employees are stuck in their jobs. This is both good and bad for organisations—good because they do not have to waste time and money frequently recruiting and training new employees, and bad in the sense that if the organisation has an unmotivated or dissatisfied workforce, their productivity will be low and the goals of the organisation will not be accomplished.
2. Our cultural values dictate that age and experience should be honoured and rewarded. Hence, in the vast majority of organisations, promotion is on the basis of seniority rather than merit.
3. Most Indian organisations do not have effective performance appraisal systems. That is, superior abilities and performance are seldom distinguished from mediocrity in our employee appraisal systems. Thus, negative equity perceptions are quickly fostered and most individuals who join the organisations with great zeal and enthusiasm lose their interest and motivation within the first few years of their service. Without adequate and discriminating incentives and rewards, it is difficult to keep people energised to work.
4. It is a fact that despite the spiritualism of the average Indian employee, the work ethic as preached in the Karma Yoga of the Bhagavad Gita, which advocates doing one's duty to the best of one's abilities without expectations or attachment to the fruits of labour, is not subscribed to by organizational members today. The Work Ethic value (either with or without attachment to rewards), is conspicuous by its absence in the average Indian worker. Lethargy, indifference, and a sense of alienation govern the intelligent and capable Indian working population. Our productivity index and the labour statistics of mandays lost annually, bear ample testimony to this state of affairs.

### The Demographics

Indians workers are no less intelligent or less capable than their western counterparts. People of Indian origin have won Nobel Prizes. Some of the best mathematicians, statisticians, engineers, doctors, lawyers, artists, orchestra conductors, and other professionals in the world are Indians. Today, we have an Indian workforce that is more educated than any preceding generation. We have college-educated young men and women with a high level of aspiration who enter our organisational systems. Many are professionally trained for their jobs, and their hopes and expectations for the future as they enter the organisational world are understandably great. Moreover, as the world gets smaller, and the influx of ideas from more technologically advanced prosperous countries increases, our workforce today expects more from their jobs—more than merely the salary they get. They expect their ideas to be appreciated, supported, encouraged, utilised, recognised, and rewarded. Unfortunately, that is exactly what is missing in our organisations today. Students in colleges, institutes of technology, and in the universities are trained to be innovative and to foster their talents. However, when they enter the organisations, they find that their training has no creative outlets in their jobs since very little support is provided for innovative ideas. The history of work careers thus becomes a history of waste of the painstakingly built professional talents.

So, what can managers do to rectify the situation? They can translate the theories we have discussed so far and tailor it to the needs of our situation. Let us discuss some of these.



## Managerial Tools for Motivating Employees in Indian Organisations

Before arguing which theory of motivation is best applicable, managers need first to recognise that the traditional concept of the "economic man" who works for money alone, is no longer true for at least today's educated and professionally trained workforce in the Indian cities. Secondly, managers must remember that without employee co-operation and support, no organisation can be productive or function effectively. Co-operation flows from motivated employees, and motivation stems from how the worksystem is managed. If monetary rewards are not always possible to dispense, there are several other supplementary ways in which many of the needs of people at the workplace can be met. Some of these include: involving staff in generating ideas, recognising their contributions, designing jobs that will challenge them, giving them responsibility to manage their own work, and offering risk support to innovative employees who are eager to try new methods and systems. These are relatively inexpensive ways in which people at work can be motivated. However, there is nothing more immediate and powerful than distinguishing and differentially rewarding superior performers in terms of merit raises, promotions, and career development opportunities.

Motivating our employees at work requires a reorientation in our way of thinking and embedding new values and philosophy in the organisational system. We have to come to terms with the fact that unless merit is rewarded, we will not be able to improve our productivity. Such a reorientation will not only motivate the younger employees, but the senior ones as well, since they will also once again begin to apply their abilities. Today, due to our emphasis on seniority, we stifle the young talented people who enter the organisation, and by the time they get senior enough to be promoted, they have usually rusted away knowing fully well that their superior performance in the newly promoted job is not going to get them their next promotion. Hitherto, we have inadvertently created inertia in our organisational systems. It is time to think in new directions.

Unions will also have to work with management in enhancing the abilities and utilising the talents of employees instead of merely bargaining for more money. Intellectual growth and nourishment are as important as physical growth and nourishment for today's educated employees. Hence, unions and management will have to work together towards satisfying the higher order needs of employees through job design, equitable reward systems, innovative work group arrangements, and creative ways of managing a talented workforce which can perform highly under the right conditions.

## Some Steps That Managers Can Take to Motivate Employees

Managers should:

1. Get to know employees well and identify their need patterns. This should not be time-consuming because every manager and supervisor usually has direct responsibility for only a limited number of people.
2. Set goals for employees and follow the principles of goal setting as discussed earlier.
3. Develop reliable performance appraisal systems and give feedback to employees on their strengths and weaknesses periodically.
4. Match the individuals to the jobs in terms of abilities and traits. Let them know what is expected of them in terms of performance and final output.
5. Give support to get the job done — training, help, understanding, and inculcating a sense of competence in employees.
6. Develop equitable reward systems. Employees will not put forth their best if they are not going to be rewarded. Be discriminating in dispensing rewards. Employees should perceive timely reinforcements as warranted by their behaviour. The principles of reinforcement must be followed.
7. Be fair, objective, and act as a role model for the employees so that they have an idea of what their behaviours should be like. Role modelling would be a particularly effective motivational technique in India where capable managers usually have referent power and are likely to be emulated by their employees.

Private institutions that are organised for profit could first try to incorporate these motivational designs in their organisations. The new ethos will have to be reflected in the organisational culture of the system. The success of the private firms will encourage other bigger institutions and public sector organisations to



bring about similar changes to enhance organisational productivity and a better quality of worklife for the employees.

## Summary

In this chapter we have discussed reinforcement as a motivational technique and the role of money as a motivator. The intricate relationships among the factors influencing motivation and performance, and the motivational techniques useful in the Indian context were also discussed. In the next chapter we will examine the stresses experienced by employees at work and how to manage stress.

## Discussion Questions

1. How does reinforcement theory differ from cognitive theories?
2. Discuss the four types of reinforcement. Is Punishment useful as a reinforcement technique? Discuss fully.
3. What is meant by Shaping? Give an example of shaping, preferably from your own experience.
4. An employee who has the ability to perform well, frequently fails to do a good job. How would the manager use reinforcement theory to ensure that the individual performs to his potential?
5. What are the usual motivational techniques used by managers in India? What do you think of them?
6. Do parents motivate babies and small children through cognitive or reinforcement theories? Give reasons for your answer.

## Exercise

### Shanmugam and The Stores Department\*

Shanmugam is a rather grim and reserved 19-year old individual. He was the first born in a family of seven children. His father who left home one day, nine years ago, has not since been seen. Shanmugam's only recollection of his father was his coming home in the evenings heavily drunk and beating up his mother and any child who was around. Shanmugam remembers the days when he took his brothers and sisters away through the back door as he sighted his father at the front door.

Shanmugam's mother had her own problems dealing with the children. She was always irritable and unhappy and verbally abused her children and frequently recounted to them the faults of their father. She often told the children they will come to no good and her greetings to Shanmugam as he was growing up was: "You will be no better than your father—you are all a pack of useless slobs". She, however, worked hard all day long as a cook in the Tahsildar's home and somehow managed to feed the children with some rice and "kanji". When the children were fast asleep, huddled as they were in one room, she would sometimes caress their cheek and say, "Oh you poor children, you certainly deserved a better mother, and a happy home". Shanmugam has heard this several times but always pretended to be asleep.

Shanmugam went to the Municipal School and had passed fourth standard but he could not stay in school because he often got into trouble with the other children. He got into scrapes with them whenever he was not playing truant and loafing around the bazaar. He had been suspected on three different occasions to have stolen a few rupees from the vegetable and fruit vendors in the market when they were busy talking to the customers or gone for a few seconds away from their stall.

One day, when Shanmugam was 17 or so, he saved a child that had accidentally fallen into a lake, from drowning, and the father of the rescued child, Mr. Ramdas, feeling grateful to Shanmugam, took him to his home and made a lot of enquiries as to Shanmugam's background and what he was doing. When Ramdas learnt that Shanmugam had no father, had six brothers and sisters, and no job, he took it upon himself to

\*Based on the "Research Department and Johnny Rocco" exercise developed by the University of Texas for class use.



do something for Shanmugam. He requested his brother who was a partner in a small manufacturing firm to give Shanmugam a job. Mr. Ramdas was actually looking for some help and hence hired Shanmugam in his firm to help the supervisor of his Stores department to take stock of incoming materials and counting the number of finished products stored as inventory. For the first time in his life Shanmugam experienced happiness knowing that somebody had taken an interest in him and had done something for him.

On the whole, Shanmugam's supervisor found Shanmugam's performance to be satisfactory. However, from time to time, there were lapses, and his behaviour was not quite appropriate or acceptable. Last week, for instance, he had not stacked the incoming raw materials and as a result of that there was not room enough for the stock clerk to step inside and take the inventory. When questioned, Shanmugam's reply could have easily been construed as bordering on impertinence. Last month, Shanmugam was also suspected of having destroyed some equipment that was sent to the Stock room. However, while the investigation was going on, it became evident that the destruction was not wanton but quite accidental.

These and other similar instances cause concern for the supervisor, but he sincerely wants to help Shanmugam to take on more responsibility and prove his usefulness as the stock room helper. The supervisor is now seeking your advice on how best to deal with Shanmugam, who shows unmistakable signs of long years of social and physical deprivation.

Attached is a list of 11 approaches to working with Shanmugam. Your job now is to make recommendations on the approach to be taken by the superintendent by ranking the listed items after taking all situational factors into consideration. Place a 1 before the most appropriate approach, 2 against the next most appropriate approach, and so on till you have numbered the least appropriate approach as 11.

### Individual Work Sheet

- A. Give Shanmugam a warning that at the next sign of trouble he will be fired.
- B. Do nothing as it is unclear that Shanmugam has really done anything wrong.
- C. Tell Shanmugam the do's and don'ts with immediate strong punishment following misbehaviour.
- D. Give Shanmugam a great deal of warmth and personal attention overlooking his current behaviours so that he feels secure and realises he can depend on others.
- E. Fire Shanmugam. It is not worth spending the time and effort on someone in such a low level position.
- F. Talk over the problem with Shanmugam in an understanding manner so that he can learn to seek help from others in solving his problems.
- G. Give Shanmugam a well-structured schedule of daily activities with immediate and unpleasant consequences for not adhering to the schedule.
- H. Do nothing now but watch him carefully and provide immediate punishment for future misbehaviours.
- I. Treat Shanmugam the same as everyone else but provide an orderly routine so he can learn to stand on his own two feet.
- J. Call Shanmugam in and logically discuss the problem with him and ask what you can do to help him.
- K. Do nothing now but reward him the next time he does something good.

Now get into your groups and arrive at a consensus on the ranking, giving reasons.



## **A Case Study**

### **Tardiness in the Production Department of the Bhilai Steel Plant**

The Vice President for production at the Bhilai Steel Plant was giving the Production Department manager Mr. Singh, a hard time for not doing anything about his work group which was perpetually coming late to work and was behind schedule in the performance quotas for several months now. The Vice President's contention was that if the production crew was consistently tardy, the production process was delayed by about 15 minutes on average per member per day, and this was no way for the department to meet the assigned quotas. "They are losing about 6 to 8 hours of production time per member per month, and you don't seem one bit concerned about it", he yelled at the manager. He added that he was pretty upset about the "lax management style" of the manager and very clearly stated that unless the manager did something about the tardiness problem, another manager who can "manage the crew effectively" will have to be found.

Mr. Singh knows that he has an able and good group of workers but he also realises that they are bored with their work and do not have enough incentives to meet the production quotas. Hence, they seem to respond to the situation by taking it easy and coming late to work by a few minutes everyday. Mr. Singh has also noticed that they were taking turns leaving the workplace a few minutes early in the evenings. Even though Singh was aware of all this, he pretended not to notice the irregularities and was satisfied that once the workers started their work, they were pretty good at their jobs and often helped to meet rush orders whenever they knew that Mr. Singh was in a bind.

### **Analysis Required**

Mr. Singh has heard about reinforcement strategies that can be used to rectify the type of situation he is presently confronted with. Discuss in depth, giving reasons, the intervention strategies that Mr. Singh should use to ensure that the workers put in a full 8-hour day and meet their regular daily quotas. Make sure that you discuss the implementation aspects fully, connecting your recommendations with the principles of reinforcement, and develop a mechanism to assess the usefulness of the interventions made.



# 7

## The Dynamics and Management of Stress

Stress, as per the medical explanation of the term, is the body's general response to environmental situations (Selye, 1979). That is, stress is anything that changes our physical, emotional, or mental state while encountering various stimuli in our environment. "Stress" is a neutral word; the term "distress" has negative connotations indicating that the individual is exposed to noxious stimuli, and the term "eustress" has a positive meaning attached to it indicating a sense of euphoria. The body responds to both distress and eustress since both are environmental factors to be reacted to and handled by the individual. Hans Selye, the father of stress research points out that all noxious stimuli damage body tissues. The stressors, that is, the antecedent stimuli that cause stress, affect several areas of the body. The body system acts immediately to build up its defense mechanisms (for example, fast heartbeat, sweating, etc.) to help the body deal with the stressors. In a sense, the body raises alarm signals and develops mechanisms to resist the "enemy". However, if the stressors in the individual's environment continue to persist over long periods of time or are severe in intensity, the continued and/or intense exposure and resistance exhausts the energy or adaptation response of the body, and fatigue sets in due to excessive wear and tear on the body and the mind. This has an adverse impact on the physical, emotional, and mental health of the individual which reduces the person's ability to perform well in his or her daily life.

### The Nature of Stress

The phenomenon of stress is highly individualistic in nature. Some people have high levels of tolerance for stress and thrive very well in the face of several stressors in the environment, for example, working under deadlines and time pressures, meeting high standards of performance expectation, and working with inadequate resources. In fact, some individuals will not perform well unless they experience a level of stress which activates and energises them to put forth their best efforts! Yet, others may have very low levels of tolerance for stress and become paralysed when they have to interface with ordinary everyday factors that appear noxious to them, as for example, having to deal with two customers who arrive at the same time needing assistance.

For every individual there is an *optimum level* of stress under which he or she will perform to full capacity. If the stress experienced is below this optimum level, then the individual gets bored, the motivational level to work reaches a low point, and apathy sets in. If one operates in a very low stress environment and constantly experiences boredom, the person is likely to psychologically or physically withdraw from work. Psychological withdrawal will result in careless mistakes being frequently made, forgetting to do things, and thinking of things other than work during work hours. Physical withdrawal will manifest itself in increased rates of tardiness and absenteeism which may ultimately lead to turnover. If, on



the other hand, the stressors in an individual's environment are too many or too intense (for instance, when one is constantly being "picked on" by the boss or has too many conflicts with the supervisor, or is engaged in doing a job that is highly hazardous to health, such as working in a nuclear plant, or has to work with disagreeable employers, their effects on performance will again be adverse. Errors will increase, bad decisions will be made, and the individual may experience insomnia, stomach problems and psychosomatic illnesses. Organisational performance and individual health are at their peak at optimum levels of experienced stress. The inverted U-shaped curve is depicted in Fig. 7.1. Though the optimum stress level is different for different individuals, each individual can sense and determine how much stress is functional for him or her to operate in a productive manner.

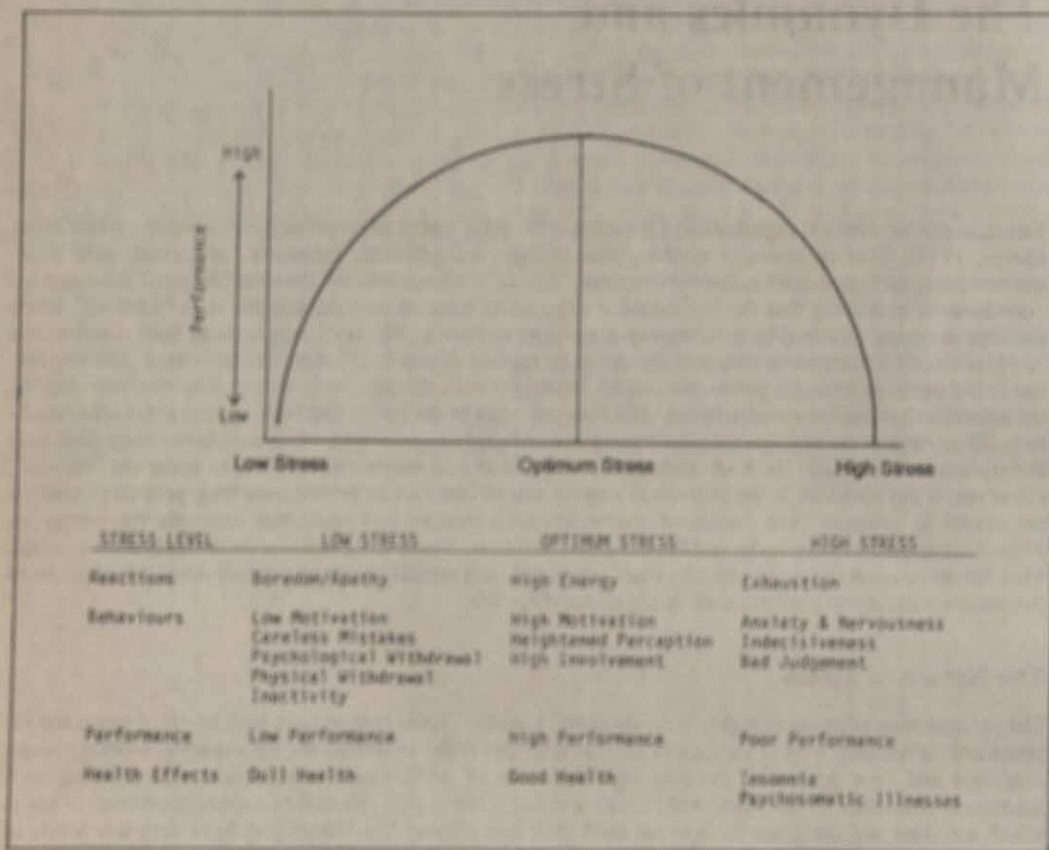


FIG. 7.1 Stress Levels and Consequences

### Personality Predispositions and Experienced Stress

Research indicates that those who seem to effectively handle (what to ordinary persons might seem like) a high level of stress, possess one or more of the personality predispositions of high tolerance for ambiguity, internal locus of control, and self-esteem. A high tolerance for ambiguity allows individuals to experience very little anguish while operating under conditions of insufficient information or in an uncertain environment. People with an internal locus of control also handle stress well since they feel they are in



control of the situation, rather than feeling controlled by the situation they are in. This makes it possible for them to manage their environmental stress without experiencing its noxious effects. Those with high self-esteem also handle stress with ease since a high self-concept and confidence in their abilities allows them to develop positive attitudes towards the management of stress and enables them to deal with stressful situations with calmness and clear thinking. The more successfully one handles a stressful situation without panicking or getting overwhelmed by it, the more confidently will the individual face further stressful situations. Thus, it is possible to raise one's capacity to handle stress with successive situations.

A personality characteristic that induces stress is the Type A (versus the Type B) trait discussed in Chapter 3. The nature of the Type A person is to engage in several simultaneous, parallel (rather than sequential) activities with a heightened sense of urgency (in contrast to the Type B individual who takes things easy). These characteristics, in combination with the fact that the Type A individual is also competitive in nature, accounts for the fact that the Type A person is likely to impose a lot of self-induced stress on himself. However, as discussed by Friedman and Roseman (1974), it is only the Type A person, who is also very hostile in nature, who experiences adverse health effects such as heart attacks. We might conjecture that the Type A person who has one or more of the predispositions of high tolerance for ambiguity, high internal locus of control, and high self-esteem, will not actually experience undue stresses though the individual might seem as if he or she is adding on some self-imposed stresses, especially when compared to the Type B personality.

Thus, certain personality predispositions have an impact on stress and how it is handled by the individual.

### Sources of Stress

Stress is a reality of our everyday life. There are both eustresses and distresses that come from our work and nonwork lives. As pointed out by Near, Rice, and Hunt (1980) and Sekaran (1986), among others, the work and nonwork domains of one's life are closely intertwined. The stresses and strains experienced in one domain are carried over to the other. Thus, if one experienced much distress at work, that stress will be carried over to the home, which will heighten the sense of awareness of even small distresses experienced in the family sphere. For example, if an employee had a nasty argument with his supervisor at work which induced a lot of stress, he might find even the normal crying of his child at home that evening to be extremely noxious and stressful to bear. Likewise, stresses experienced at home or with friends or from other nonwork facets can be carried over to the workplace which might heighten and compound the stresses experienced at work.

### Organisational Stressors

Stresses experienced at the workplace have several origins. They can emanate from: 1. role-related factors which are subjectively experienced; 2. the nature of the job or its inherent characteristics; 3. factors related to interpersonal and group dynamics; 4. organisational structural factors such as reporting relationships; and 5. interfacing with the external environment of the organisation.

#### Role-Related Factors

Individuals can experience such role related stresses as role conflict, role ambiguity, and role overload. In some jobs, they might also face ethical dilemmas. Stress from *role conflict* is experienced when two or more significant others in the organisation expect different things to be done by the individual. For instance, if Mr. Silva's immediate supervisor wants him to credit the day's receipts to one particular account and the department manager wants Silva to credit it to another account, Mr. Silva would experience role conflict since there are conflicting expectations from his two bosses. Stresses from *role ambiguity* arise when an employee does not know what is expected of him or her or how to go about doing the job. For example, if an employee who joins an organisation is left to himself to figure out what he is supposed to be doing and nobody tells him what the expectations of him (i.e. his role) are, the newcomer will experience a high level of role ambiguity. Even an old timer can be given a responsibility without being offered much



information. For instance, a production manager might tell a foreman that he expects 500 units of steel rods to be manufactured in the next five days and leave town immediately without specifying what kinds of additional help will be provided, or what the purpose, cost, weight, or design details are. The foreman is now left with a lot of ambiguity and does not know how he should go about doing his job. *Role overload* refers to the individual being expected to do too many things within a limited time as part of the daily routine. If Mrs. Sethna is expected to perform the duties of a supervisor, receptionists, public relations person, and an accountant, she is likely to experience a lot of stress from the several roles she has to play during the work day. Though she may be able to manage the various roles for a short period of time, say two or three days, if expected to continue in this fashion on a long term basis, she is likely to fall sick or quit.

*Ethical dilemmas* such as whether or not one should report the observed unethical behaviours of another person can cause extreme levels of stress in individuals. This will be especially true for those who have strong moral values of right and wrong and a deep sense of personal and corporate social responsibility. Tensions arise because one might have to contend with whistle blowing against one's own colleagues who might be close friends, and may fear reprisal and other undesirable consequences which have to be pitted against one's sense of duty and loyalty to the organisation.

### *Nature of the Job Itself*

The nature of the job performed by the individual can often cause stress. If a job is too routine, dull, and boring, or happens to be too demanding in terms of frequent transfers or constant travelling which limits the time that can be spent together with the family, the individual is likely to experience stress. Some jobs can also be hazardous or morally conflicting to the individual who interfaces with it, such as working in an explosives manufacturing factory for the individual who is a staunch believer in and advocate of peace. For lack of other job opportunities, the individual may be forced to work in this environment and this might be a constant source of severe stress and anguish to the person. In addition, some duties and responsibilities have built-in stresses such as those of the fire-fighter, or the police squad which defuses bombs. Thus the nature of the job itself often induces stresses.

### *Interpersonal and Group Factors*

Interpersonal and group-related stressors include factors such as conflicts, poor communications, unpleasant relationships, and fear of being ostracised from the group as a valued member. Working with superiors, peers, or subordinates with whom one does not get along can be a constant source of stress. Some people can deal with misunderstandings and conflicts in an open way and resolve issues as they arise. Many, however, find it difficult to do this and build internal stresses for themselves. When conflicts, poor communications, and unpleasant interactions have to be faced at the workplace, individuals try to avoid the stresses by remaining absent as frequently as possible, and even start looking for other jobs.

### *Organisational Structural Factors*

*Work environment* factors such as noise, heat, poor lighting, radiation, and smoke are stress-inducing agents. Insufficient resources such as time, budget, raw materials, space, or manpower are additional stressors in the work environment. When one has to produce and perform with inadequate resources on a long-term basis, this naturally imposes stresses and strains on the individuals who are responsible for getting the job done. In addition, other *structural factors* in the organisational setting such as staff rules and regulations, and reward systems which are not palatable to individuals may act as stressors.

The lack of career paths in organisations may be additional organisational stressors. For many aspiring managers, the *lack of career progress* can be a constant stressor resulting in job burnout. Burnout is the condition where the employee sees no relief or satisfaction in sight and experiences physical, emotional, and mental exhaustion (Etzion, 1984).



### External Environmental Factors

Certain types of interactions with significant forces in the external environment of the organisation can also be sources of stress. These stresses may arise out of the unreasonable expectations of external agents, as for instance, the outside party wanting some extra inducements in the form of unrecorded money or gifts before they would be willing to cooperate. Governmental or other agencies might also give those with whom they interface a hard time by not keeping up appointments and unduly following red-tape procedures. Other environmental stressors include sudden and unanticipated changes in the marketplace, technology, the financial market, and so on, which take top managers off-guard.

Figure 7.2 depicts the various stressors relating to the work sphere as just discussed.

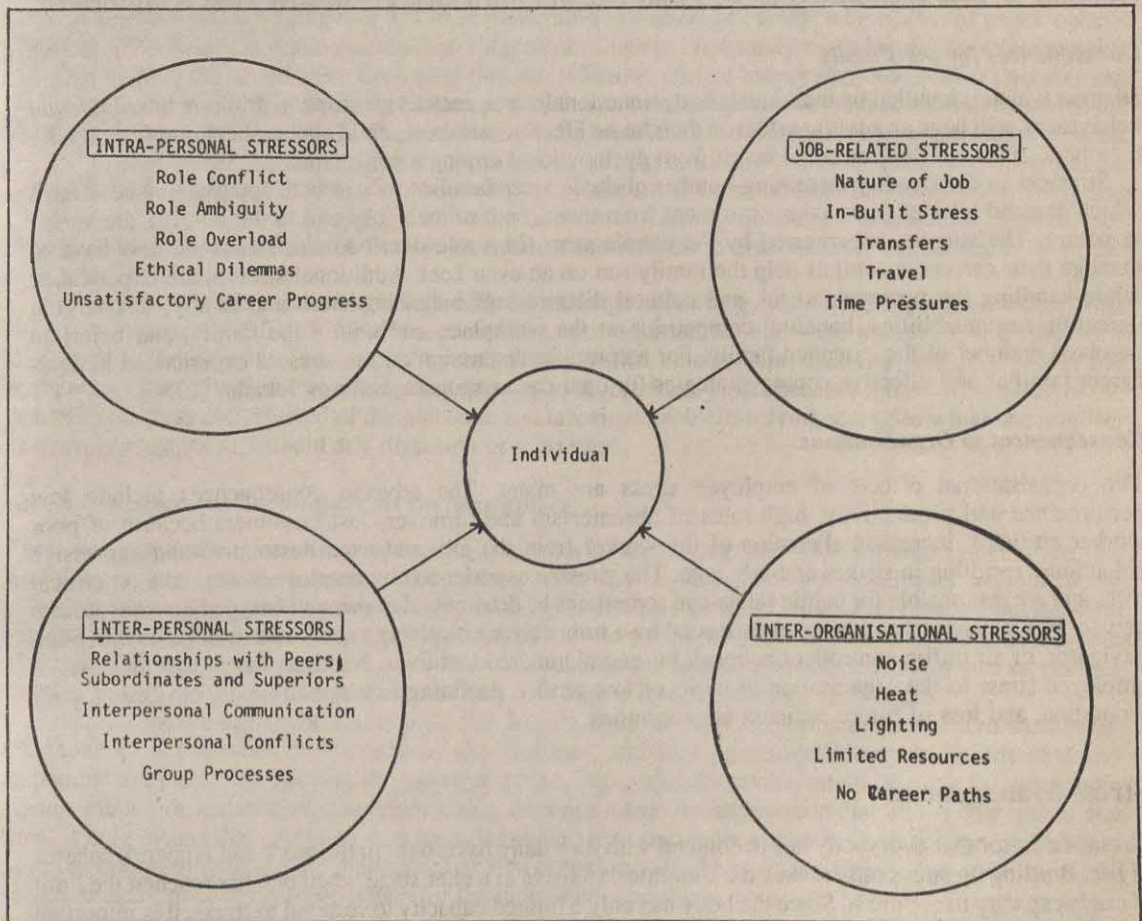


FIG. 7.2 Organisational Stressors

### The Effects of Distress

Distress experienced by individuals has negative consequences for them, their families, and for the organisations they serve.



### ***Consequences for the Individual***

The impact of distress on individuals has subjective, cognitive, physiological, behavioural, and health facets to it. The *subjective or intrapersonal* effects of stress are feelings of anxiety, boredom, apathy, nervousness, depression, fatigue, anger, irritability, and sometimes aggressive behaviours on the part of the individual experiencing the stress. The *cognitive* effects include poor concentration, short attention span, mental blocks, and inability to make decisions. The *physiological* effects can be seen in increased heart and pulse rate, high blood pressure, dryness of throat, and excessive sweating. The *behavioural* consequences are manifest in such things as accident proneness, drinking, excessive eating, smoking, nervous laughter, impulsive behaviours, depression, and withdrawal behaviours. The manifest *health* effects could be stomach disorders, asthma, eczema, and other psychosomatic disorders. In addition, the mental health, i.e., the ability to function effectively in one's daily life, will also decline as excessive stress is experienced.

### ***Consequences for the Family***

Distress which is handled by individuals in dysfunctional ways, such as resorting to drinking or withdrawal behaviours, will have an adverse effect on their home life. Spouse abuse, child abuse, alienation from family members, and even divorce could result from dysfunctional coping mechanisms.

Stressors in the steadily increasing number of dual-career families, where both spouses pursue careers which demand a lot of personal commitment from them (both to their jobs and to the family), are varied in nature. The stresses experienced by the couple stem from role overload since both partners have to manage their careers as well as help the family run on an even keel. Additional stresses are experienced while handling the personal, social, and cultural dilemmas of balancing work and family, discharging parenting responsibilities, handling competition at the workplace and within the family, and being an involved member of the extended family. For a complete discussion on the stresses experienced in dual-career families and effective coping strategies for dual-career spouses, refer to Sekaran (1986).

### ***Consequences to Organisations***

The organisational effects of employee stress are many. The adverse consequences include low performance and productivity, high rates of absenteeism and turnover, lost customers because of poor worker attitudes, increased alienation of the worker from the job, and even destructive and aggressive behaviours resulting in strikes and sabotage. The stresses experienced by employees who take on critical roles and are responsible for public safety can sometimes be detrimental to the well being of the constituents served. For instance, the stresses experienced by a train driver or railway guard, or that of an airline pilot, navigator, or air traffic controller can result in several hundred lost lives. Needless to say that the costs of employee stress to the organisation in terms of lost profits, declining assets, bad image projection, poor reputation, and loss of future business are enormous.

### ***Stress Management***

Stress is a factor that everybody has to contend with on a daily basis both in the work and nonwork spheres of life. Bottling up stress only makes the situation explosive at a later stage when one has reached the limit of one's capacity to endure it. Since the body has only a limited capacity to respond to stress, it is important for individuals to optimally "manage" their stress to operate as fully functioning human beings. Fortunately, there are several ways in which stress can be handled so that the dysfunctional consequences of stress are dissipated. Relaxation, meditation, engaging in physical exercise and sports activities, and managing the work-to-home transitions are all helpful in combatting stress. Most of these techniques are familiar and need no explanation. Managing the work to home transition is, however, a technique that most of us do not use to handle stress and is worth some elaboration.



## Work-Home Transition

The work-to-home transition strategy emphasises that it would be beneficial to psychologically shift gears from the stressful work situation to a relaxed evening at home in the family environment as one reaches the end of the work day. That is, instead of carrying the pressures of the work to the home, the suggestion is to start the unwinding process during the last hour or so of the work day and enter the home in a relaxed and peaceful frame of mind. If one is preoccupied with the pressures of the workday at home, one precludes relaxed interactions with one's family at home.

The technique to be followed is this. During the last 30 to 60 minutes of work time, attend to more routine and less pressure inducing types of work. For instance, during the last hour or so, one can review the day's activities, list and prioritise the activities that need to be attended to the next day, and thus table all the unfinished business. This is possible and feasible to do at managerial levels where a lot of paper work is handled. However, this is quite contrary to what most of us do! We usually try to handle the most complex and knotty problem as we reach the end of the day. When we can no longer stay in the office; we take our paper work home and are constantly preoccupied with work-related problems with no time to devote to the family. To experience a good life, happiness should be experienced in both the career and the family facets of one's life. The work-to-home transition technique will help us to slowly unwind even before we quit the workplace. To completely unwind, it is advisable to take some personal time before heading home and exercise, swim, play tennis, or jog. This puts the careerist in a family-oriented, relaxed frame of mind, thus giving quality time to all in the family. Recreation and relaxation also increase the productivity of the individual at work.

Following the work-to-home technique calls for a change in thinking, life style, and personal values. This would be especially difficult for the workaholic to get adjusted to, but when practised, will offer rich dividends to the individual in terms of overall quality of life, enhanced productivity, and good health and happiness. Creativity flows when the mind is ready to absorb fresh inputs because it has been cleared of the cobwebs of stress and relieved of the mundane and laborious problem-solving struggles which the intellect constantly engages in without any diversion or relaxation.

## Stress-Management Techniques At the Workplace

There are other strategies to manage stress at the workplace. Delegation and time management are two useful techniques which minimise stress. Many tasks can be delegated to subordinates without losing effectiveness. Spending a few minutes every morning to discuss important issues with the personal assistant and the immediate subordinate not only provides them the structure to manage many of the activities, but also relieves the manager to attend to more critical managerial functions. Such delegation also serves as a training to prepare those at lower levels to step into higher level positions in due course.

Several time management techniques can be practised at work. Prioritising the activities, having telephone calls and visitors screened by the assistant, and leaving routine letters to be attended and responded to by the assistant save the manager's time. There are also several paradoxes that influence time management. For instance, an *open door policy* does not mean that anyone can disturb the manager at any time. It only means that everyone who has a legitimate reason to have access to the manager, indeed does have the opportunity to see the manager after first checking with the assistant. Quite often the assistant or someone else can easily resolve issues for the individual who thinks he or she *has* to talk to the manager to have the problem taken care of. A second paradox is the one of *long hours*, which simply indicates that working long hours may not necessarily mean getting more accomplished, since productivity declines as fatigue increases. Each individual has a different work rhythm and should be aware of when productivity tapers off during the day. It would then be better to relax and rejuvenate. Another paradox is that of *activities versus results*. Simply engaging in a number of different activities does not ensure that the desired end results are being accomplished. Thus, one has to frequently assess how goal directed one's efforts are and take stock of what has been accomplished. It is easy to fall into the trap of being constantly busy without being able to show end results. Closely related to this is the paradox of *effectiveness versus efficiency*. Effectiveness relates to goal accomplishment and efficiency relates to cost reduction. Trying to work in the



most efficient manner that conserves resources is of no use unless the desired outcomes are achieved. In other words, if the wrong issues are addressed, the effort is worthless, regardless of how efficiently the work is done.

Delegation is not a comfortable thought for many since there is no guarantee that someone else will do the job as well as we ourselves can. However, by investing some time initially to train others to do the job in an acceptable manner and delegating many aspects of the work to them, managers can relieve themselves of a lot of stress and devote their time to the more important facets of their job. This again calls for a shifting of mental gears and understanding that engaging in a greater number of activities has no direct correlation to the achievement of end results unless the right kinds of managerial activities are pursued.

### **Other Clinical Stress Management Techniques**

Clinical diagnosis, counseling, detection of stress by periodic screening, and prevention programs can also be availed of to keep stress under control. Biofeedback mechanisms are now increasingly being used in western countries. Biofeedback helps the individual to self-monitor stress levels. If the stress becomes high, signals are flashed and the individual can immediately slow down and relax.

### **Other Organisational Practices for Stress Management**

The manager has to manage his or her own stress as well as that of the other employees. Company-wide programmes are now being initiated in many western countries where employees' high stress is adversely affecting the organisations in terms of lost man days due to accident, sickness, and burnout. These, in turn, reduce the performance and productivity of the organisation as a whole. Some of the strategies used for stress management of employees include: (1) role analysis and role clarification. This removes role ambiguity and reduces role conflict and role overload; (2) job relocation help; (3) alcohol and drug abuse correctional programmes; (4) career counseling programmes; (5) leisure programmes and recreational facilities; (6) employee assistance programmes (EAPs) and stress control workshops.

The *Role Analysis Technique* (RAT as it is referred to) helps both the manager and the employee to analyse what the job entails and what the expectations are. Breaking down the job to its various components clarifies the role of the job incumbent for the entire system. This helps to eliminate imposing unrealistic expectations on the individual. Role ambiguity, role conflict, and role overload can thus be considerably reduced through this technique and stress levels lowered for the individual.

*Job relocation* assistance is offered to employees who are transferred, by finding alternative employment for the spouses of the transferred employees in the new place, if so desired by them. By having special arrangements with schools, the children of the transferred employees get admissions in the appropriate classes in the new location. These arrangements help to reduce the anxiety and stress for the moving family. Companies feel that the additional costs and efforts expended by them in relocation assistance are worth it.

Companies in the west are now also providing *recreational facilities* for employees who are allowed to use 30 minutes to an hour of company time to exercise, swim, or relax in other ways. Group meditation programmes are also made available to employees by several companies. These efforts made by organisations to reduce the stress levels of their employees are indicative of the extent to which the problem of stress is prevalent. Another widely used strategy is the *employee assistance programmes* which offer a variety of assistance to employees. These include counseling employees who seek assistance on how to deal with alcohol and drug abuse, managing personal finances, handling conflicts at the workplace, dealing with marital and other family problems, dealing with other kinds of stresses, and coping with health problems.

*Career Counselling* helps the employee to obtain professional advice regarding career paths that would help the individual to achieve personal goals. It also makes the employees aware of what additional educational qualifications or specialised technical training, if any, that they should acquire. By becoming knowledgeable about the possible avenues for advancement, the employees who consider their careers to be important, can reduce their stress levels by becoming more realistic about their options and can start preparing themselves for it.



## **Dealing with Less than Optimum level of Stress**

Corporations and writers have usually been concerned about the management of high levels of stress. Very few researchers or organisations have seriously considered “managing” below optimum stress levels. Evolving creative strategies for managing low levels of stress is particularly relevant for cultures which are weak in uncertainty avoidance. In these cultures employees may not experience stresses because of having to deal with unforeseen or ambiguous situations. In Chapter 1, we found that India is weak on uncertainty avoidance (ranking ninth among 50 countries) and hence the stresses due to role ambiguity may be low because of the relatively high tolerance for ambiguity that people may have. However, we found that low levels of experienced stress are also dysfunctional both to the individual and the organisation since boredom and apathy set in and performance decreases. Indian managers may have to “manage” low stress by perhaps inducing stress on the job, where appropriate. This could be done by making the assignments more challenging rather than resorting to job simplification (discussed more elaborately in Chapter 13), giving employees at lower levels more responsibilities and making them accountable for clearly-defined results, and involving them in more participative decision-making. The last suggestion will definitely raise the stress levels both for the employees and managers since India is high on power distance (that is, low on egalitarian interactions among people at different strata of the organisation: see Chapter 1). Employees will experience stress due to the discomfort of having to get involved in the decision making process with their superiors, and managers will also experience distress since they will henceforth have to treat employees as individuals with more power and responsibility and cannot easily dismiss them as mere cogs in the wheel.

Thus, while the management of high stress levels may be relevant for individuals and organisations in some cultures, the management of sub-optimum stress would be highly important for individuals and organisations in other cultures. The average Indian employee is as intelligent and as valuable a member of the organisation as any other employee in other parts of the world. But to reach their full potential, the employees themselves will have to make efforts to increase their involvement in the organisation by taking on more challenging assignments and responsibility and becoming a part of what goes on in the organisation. The Indian organisational system should actively enable these changes to occur. Here is a potential area that Unions and Management in Indian organisations can fruitfully tackle to the benefit of all.

## **Possible Consequences of Stress in Indian Organisations**

While managers at some levels might experience high levels of stress, most other employees, especially the lower level white collar workers, might experience low levels of stress. This might lead to apathy and alienation from the job. This, in turn, will result in low productivity and poor performance. For most employees, leaving the organisation to find another job is not a viable alternative due to the difficulty of readily finding other jobs. While the organisation should do all that it can to make the jobs more challenging, the employees themselves can find other mechanisms to get rid of their stress, rather than resorting to absenteeism and tardiness. One possible outlet for the bored employee is engaging in aerobic exercises and thus stimulating the brain and the body. For the over-stressed executives, meditation and yoga are good relaxation techniques.

## **Summary**

In this chapter we discussed the concept of stress, the sources of organisational stress, the impact of spillover of stress from the work to the nonwork facets of life, personality characteristics that influence the level of experienced stress, the consequences of stress for the individual and the organisation, and stress management at the individual and organisational levels. We specifically examined the subjective, cognitive, physiological, behavioural and health effects of stress. It was explained that optimum levels of stress are functional and by “managing” stress, individuals can lead a high quality of life and organisations can benefit. Several strategies were highlighted for individuals and organisations to manage both high and low levels of stress.



In the next chapter we will examine an important organisational success factor—the dynamics of communication—which is the nerve centre of organisational life.

## Discussion Questions

1. Discuss fully how the phenomenon of stress might be highly individualistic in nature.
2. Explain what is meant by “stress has to be managed”.
3. What are the sources of stress for you as a student?
4. As per Chapter 2, research indicates that managers work at a relentless pace. How do you think you can make career progress if, as suggested in this chapter, you try to balance your work and nonwork life for a better quality of life?
5. To what extent do you think Indian organisations will try to enhance the quality of life of their members by adopting some of the practices followed by organisations in western nations? Give reasons for your answer.
6. What types of stresses do you think employees in Indian organisations experience? Explain giving examples.
7. What do you think are some of the current practices followed by Indian organisations to reduce employee stress?  
In your opinion what are some of the other things that can be done for Indian employees?
8. Discuss, giving reasons, why organisations cannot be complacent about not experiencing the ill-effects of stress reflected in the turnover of employees in Indian organisations.

## Exercise

Below is the Social Readjustment Rating Scale. Assess the level of stress you experience by circling the points against the stressors you currently sense and add the circled points.

### Stress: Social Readjustment Rating Scale

Rank	Life Event	Points
1.	Death of spouse	100
2.	Serious marital or family problems	73
3.	Death of a close family member	70
4.	Serious illness of a close family member	68
5.	Prolonged illness in the family	66
6.	Personal injury or illness (temporary)	53
7.	Marriage	50
8.	Serious problems at work	50
9.	Minor but irritating problems at work	45
10.	Family reconciliations	45
11.	Retirement	45
12.	Pregnancy of wife or someone in your care	40
13.	Concerns about not having children	40
14.	Gaining a new family member	39
15.	Business readjustment	39
16.	Change in financial state	38
17.	Death of a close friend	37
18.	Change to a different line of work	36
19.	Owning a new home	35
20.	Loans over Rs. 3,000	35



21.	Loans over Rs. 1,000	32
22.	Change in work responsibilities	29
23.	Marriage of a close member of the family	29
24.	Son or daughter leaving home	29
25.	Trouble with in-laws	29
26.	Outstanding personal achievement	28
27.	Spouse beginning or stopping work	26
28.	Beginning or ending education	26
29.	Change in living conditions	25
30.	Revision of personal habits	24
31.	Trouble with boss or teacher	23
32.	Change in work hours or conditions	20
33.	Change in residence	20
34.	Change in schools/colleges	20
35.	Relocation	20
36.	Constant travel	19
37.	Change in social activities	18
38.	Change in sleeping habits	17
39.	Change in circle of friends	17
40.	Change in eating habits	16
41.	Vacation	15
42.	Diwali or another important festival	13

### Scoring

The amount of life stress experienced by a person can be measured by totalling the points that accrue against each item associated with events experienced say, over a period of the last 12 months.

< 150 points would indicate low stress and good health.

150-300 points would indicate above average stress and relaxation techniques will definitely help.

>300 points might indicate high stress and relaxation techniques are clearly indicated.







**PART THREE**  
**Interpersonal and**  
**Group Dynamics**



PART THREE

Interpersonal and  
Group Dynamics



# 8

## The Dynamics of Communication

More than 75 per cent of a manager's time is spent in communicating with others. As we saw in Chapter 2, Henry Mintzberg who was the first to systematically explore the nature of managerial work, found that the managers in his observational study spent 6 percent of their working time communicating with others over the phone, 10 per cent of their time in unscheduled meetings with others, and 59 percent in scheduled meetings. These, of course, do not include the time spent by managers in written communication! It is important to understand the process of communication and the barriers thereto, because effective communication is vital to influence others, to express feelings and emotions, to provide, receive, and exchange information, and to ensure that the integrity of the formal structure of the organization is maintained by following the appropriate channels of communication laid down by the organization (Scott and Mitchell, 1976). In essence, communication is one of the most vital processes that keeps the wheels of an organization running smoothly.

### The Communication Process

Interpersonal communication can be best comprehended when we consider it as a process. Communication can be described as an interpersonal process of sending and receiving symbols with meanings attached to them (Schermerhorn, Hunt, and Osborn, 1985). In any communication there is a person who sends out the message (the sender), there is at least one other person who receives the message (the receiver), and there is also a medium through which the message is communicated. For example, the message can be transmitted through: (1) verbal communication either face to face or through the telephone, (2) in writing, as through letters and memos or information on bulletin boards; and (3) sometimes through non-verbal signs and actions. An example of non verbal communication is that I can frown, wink or pat somebody on the back to convey that I am displeased or pleased. I can also transmit messages through us gestures, for example, by pointing a finger to indicate that somebody is behind closed doors.

In addition to the sender, the receiver, and the message and medium, two other features are also common to the communication process: noise and feedback. The former hinders effective communication, and the latter helps to rectify the problem. The elements in the communication process are depicted in Figure 8.1 and further discussed.



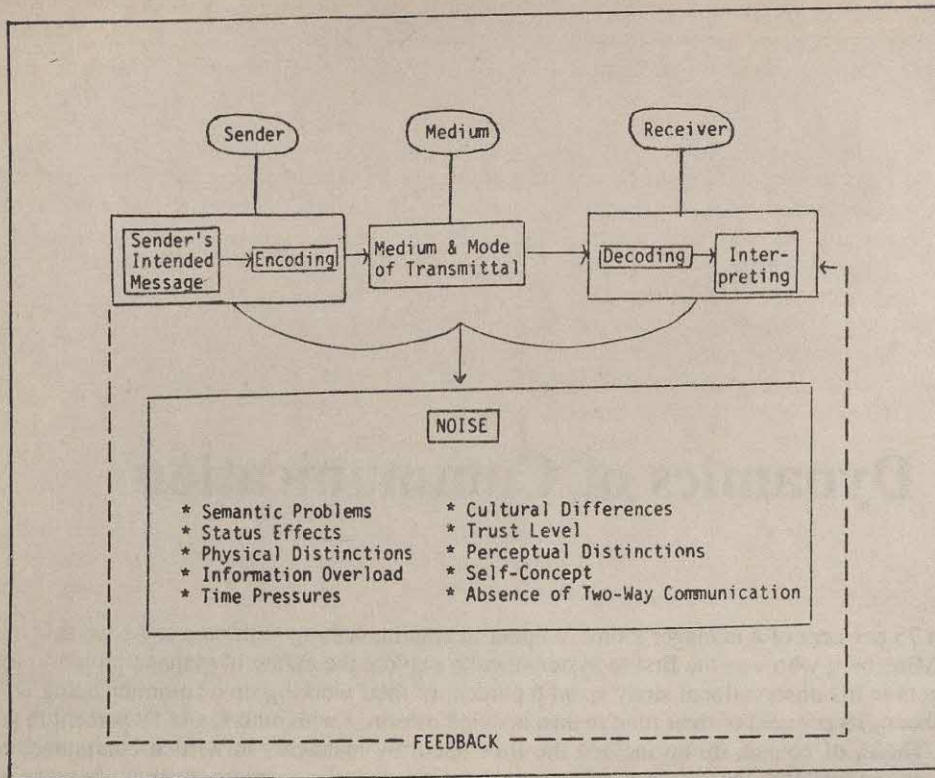


Fig. 8.1 The Communication Process

### Encoding, Decoding and Noise

The communicator or sender of the message has to first translate to embed the ideas that are to be communicated in the proper language or symbol so that the message can be transmitted through the verbal or nonverbal medium. This process of packaging the idea is called *encoding* the message. The receiver who gets the message then has to interpret or decipher the message that is sent, and this process is called *decoding* the message. When the encoded message or the sent message is the same as the decoded message or the received message, then communication is said to have taken place effectively. However, it is quite possible that due to several reasons, the sent and received messages are at variance and the parties have not communicated effectively or have even totally miscommunicated. That which accounts for this ineffective communication or miscommunication is referred to as "noise."

Noise can enter the communication process because of situational factors, inability of the sender to encode the message in clear and understandable terms, or inability of the receiver to decode or interpret the sent message properly. Noise factors encompass semantic or language problems, status effects, physical distractions, information overload, time pressures, cultural differences, low trust levels and evaluative tendencies, perceptual distortions and selective listening, low self-concept and ego states, and absence of two-way communication. Each of these barriers to effective communication is now discussed.

**Semantic Problems** In the process of encoding and decoding the message, language could act as a barrier to effective communication. The sender of the message has to make sure that the appropriate symbols, words, and language are chosen to communicate the intended message so that there is no room for



misinterpretation or confusion as the receiver decodes the message. For instance, when a supervisor remarks to a clerk at the close of the day, "Let's work on this problem tomorrow", what he might actually mean is that the clerk should work on the problem the next day. One cannot blame the clerk for interpreting the message as: "Tomorrow, the supervisor will call me when he is free and we will then discuss the issue and decide what should be done next." Thus, the words chosen to express the thoughts could constitute the "noise." Mixed messages can also be confusing to the receiver. For instance, let us say that I tell my assistant that something is very urgent and requires his immediate attention. If during the next 10 minutes I also indicate that there is another matter that he needs to examine immediately, then I am confusing my assistant. He will not know which of the two items of work needs to be attended to first and which has lower priority. The individual will then be confused and experience a high degree of ambiguity and stress.

**Status Effects** In cases such as the above where there is confusion, if the confused party seeks clarification, things could be explained better and the confusion resolved. But, subordinates may not want to ask for clarification because they are afraid or think it is disrespectful to point out the inconsistencies in the superior's orders. Thus, the superior-subordinate status comes in the way of effective communication taking place. Status effects also hinder communication inasmuch as people occupying higher positions in the organization have a tendency to "tell" a lot to the subordinates but not to "listen." When people do not listen, they do not understand each other and thus effective communication is blocked.

**Physical Distractions** When people communicate with each other, noise may also enter in the form of various types of distractions. Distractions may occur because of situational factors such as constant telephone interruptions, people walking in and out of the room, or loud noises in the background. Apart from these physical "noises", certain peculiar mannerisms of the speaker may also be distracting to the listener and hinder effective listening. For instance, when the speaker is constantly batting the eyelids, or ends practically every sentence with, "you see", or has similar other idiosyncratic mannerisms, the receiver of information can easily get distracted, which then hinders the person from listening carefully to what is being said. In other words, active listening does not take place and hence the message does not get effectively communicated. We will elaborate on active listening later in the chapter.

**Information Overload** Communication may be ineffective when too much information is transmitted at one time or when complex information is presented within a short time frame. That is, the receiver may not be able to grasp everything that is being said due to the large quantum and/or complexity of the material presented. The problem is compounded if the individual also has limited attention span and poor memory retention. Thus, when there is an overload of information, communication tends to become ineffective.

**Time Pressures** Because of time pressures, many messages are hastily and inadequately communicated by managers, leaving the listener with much ambiguity and confusion as to what has been said and what action should be taken. Since managers have to deal with a large number of people on an ongoing basis within limited periods of time, giving incomplete information and verbally transmitting short, telegraphic messages sometimes seems inevitable. Inadequate time thus leads to ineffective information giving which often leads to miscommunication.

**Cultural Differences** Words, colours, and symbols have different meanings in different cultures and sometimes even between sub-cultures within a national boundary. For instance the word *kedu* means ill-health in Malayalam, but has a negative connotation and is used as an abusive term in Tamil. Malayali managers should be careful not to use the word while enquiring about the health of employees in Madras lest they unintentionally offend the employees. Thus one has to be sensitive to cultural differences in the use of language, words, symbols, and colours while communicating. This becomes extremely critical when managers deal and negotiate with foreign institutions and their members.

**Trust Level** When there is lack of sufficient trust between the communicating parties, selective listening takes place (as discussed in chapter 4 on perception), resulting in ineffective communication. Complete information is seldom exchanged under such circumstances and the withholding of information by one or both parties will further aggravate the trust issue and interpersonal problems. Evaluative tendencies



develop, selective listening increases further, and messages get distorted. Thus, in situations where trust levels are low, several types of “noises” enter the communication processes.

**Perceptual Distortions** The perceptual processes that operate in a situation may heavily influence the communication process. For instance, how an employee interprets the job instructions given by a supervisor may very well depend on how he or she perceives the individual. If the supervisor is perceived as incompetent, the instruction will be disregarded, and if the supervisor is perceived as highly esteemed and influential, the message may be given a lot more importance than it deserves. Thus too little or too much might be read into messages and inappropriate action taken through perceptual distortions, thus thwarting effective communication.

**Self-Concept** People usually have a positive self-concept and like to be treated and communicated to in a manner that is consistent with their self-concept. If we communicate with a mature adult as if he or she were a child, the individual may very well become annoyed and not relate to the message that is being communicated. All of us act and communicate from three different ego states from time to time; the parent, the adult, and the child state (Berne, 1964). Highly emotional and impulsive statements made by us come from our child state, judgmental statements come from the parent state, and rational statements made in a problem-solving mode come from the adult state. If the receiver of the message does not respond to the ego state from which we are communicating, crossed transactions occur and communication becomes ineffective. Transactional Analysis, discussed later in this chapter and in chapter 15, is a good way to overcome this communication barrier.

**Absence of Two-Way Communication** If communication is only one-way—from top to bottom or from superior to subordinate—the absence of two-way communication which provides feedback, would hinder communication from taking place in an effective manner. For instance, the receiver might decode the message in a way that was not intended. Neither the receiver nor the sender will then realise that the message was misinterpreted until it becomes too late to rectify the situation. An exam question, for example, is a one-way communication which could easily get misinterpreted by some students since attempts by students to seek clarifications in the exam hall are usually discouraged. In work organizations, one-way communication, though efficient in terms of time, may be ineffective and sometimes leave the receiver of the message confused, perplexed, and rather unsure about what it expected. Effectiveness is thus compromised.

## Feedback

Feedback is the process that ensures that two-way communication occurs so that the sender and receiver of the message can make sure that the intended message and the received message are the same. For example, if I ask my colleague to come to meet me on Sunday at 5.00 p.m. to go to a movie, and she asks me where we should meet at 5.00 p.m. on Sunday (two-way communication), I then get the feedback that I had not given full information. I can then rectify the deficiency by saying that we will meet in front of the Regal Theatre right under the clock. Now, we both know and understand what we need to do. Without the two-way communication and the feedback, I might have been standing at the theatre and my colleague might have come to my house at 5.00 p.m. on Sunday! Thus the feedback process ensures that communication takes place effectively.

In work situations, two-way communication always helps since it provides effective feedback, but unfortunately, it does not occur as frequently as it should because of status effects, time pressures, and other factors just discussed.

## Effective and Efficient Communication

We have used the terms “effective communication” several times. Communication is *effective* when the intended (or sent) message is the same as the interpreted or (received) message. As we have seen, there are several barriers to effective communication. Two-way communication is one of the ways in which more



effective communication can be facilitated. We will discuss other methods to further reduce the barriers to communication later in the chapter.

Communication is *efficient* when messages are transmitted at the least cost in terms of time, money, effort, and other resources. A message that is written on the bulletin board where all employees can see it, is perhaps an extremely efficient way of informing several hundred employees of new policies and procedures or to convey some new piece of information. One cannot, of course, guarantee that all the employees will read the information on the board. As can be readily recognized, effective (two-way) communication is not usually efficient, and efficient (one-way) communication is often ineffective.

## Communication Modes and Media

While *oral* communication in organisations usually takes place face-to-face or over the telephone, *written* and coded messages are transmitted through various channels such as letters, handbooks, bulletin boards, slides, over the wire, and through high frequency transmission. *Nonverbal* messages are transmitted through gestures, facial expressions, and body language. How one designs one's office (plush carpets and expensive paintings might communicate high status), and observes punctuality in keeping appointments also sometimes signify the nonverbal transmittal of some important messages. For example, keeping others waiting for no good reason might be a nonverbal expression of power relationships.

The *grapevine* is also a very powerful medium through which messages get transmitted by word of mouth. The grapevine is an informal system through which information gets transmitted quickly and often in a distorted manner as people keep passing the message from one to the other. The greater the quantity of information that passes through the grapevine, the less accurate it usually is (Rollins and Charters, 1965). Hershey (1966) found that among 30 items of transmitted messages in an organization, 9 were accurate, 16 proved groundless, and five were distorted but not groundless. The grapevine is important in organizations (Sutton and Porter, 1968) and it is possible for managers to make judicious use of the grapevine to transmit urgent messages.

## Overcoming Barriers to Communication

We discussed two-way communication and feedback mechanisms as ways of improving communication effectiveness. We can now examine how each of the barriers (or noises) discussed earlier can be reduced. Semantic or language problems can be overcome by making sure that the receiver of information has understood the message, especially in those instances where complete understanding is of utmost importance. This can be done by asking the individual to repeat the message as understood by him or her and enquiring what the individual intends to do next. This will ensure that the person receiving the message has understood it as it was intended by the sender. If there is any confusion detected at this stage, the sender of the message can add clarity to the information. Recently, a Vice President in charge of marketing, who could not be present at a very important meeting with foreign contractors to be conducted the next day due to an unforeseen emergency situation, called the director of marketing to his office. The Vice President gave the director elaborate details and instructions on how the deal should be approached, what points should be stressed, what the critical aspects in the negotiation process were, and so on. At the end of it all, he asked if the director had any questions. After everything was clarified, the Vice President and the director engaged in role playing the situation after which the Vice President was satisfied that the director had grasped everything well. This is another way to ensure that important messages get transmitted properly.

Status effects can be minimised by the superior being attentive to nonverbal clues (such as knitting of the eyebrows which might indicate that the subordinate is confused and might not have understood the message), encouraging the individual to engage in a two-way communication process and seeking feedback, and actively listening to the person.

*Active listening* implies that the receiver of information engages in the following patterns of behaviour (Hunsaker and Alessandra, 1980): (1) stops talking since it is impossible to talk and listen at the same time;



(2) fights off distractions, (3) is patient and lets the other person say whatever needs to be said; (4) appreciates the emotion behind the speaker's words and is empathic (that is, puts oneself in the position of the communicator and "feels" what the speaker is feeling as he or she is communicating); (5) is attentive; (6) creates a positive listening environment; (7) uses feedback mechanisms to check understanding; (8) withholds judgement; (9) asks questions; and (10) reacts to the message and not the person. Active listening takes a lot of energy and can be perfected by conscious and constant practice.

Physical distractions can be eliminated by the manager asking the secretary to withhold all telephone calls and visitors, by keeping the door closed, and through active listening. By judiciously managing the quantum of information, and carefully explaining complex matters, information overload can be averted. When important information is transmitted, the manager should ensure that time pressures do not detract the effectiveness of communication. In other words, sufficient time has to be set aside to communicate vital information, so that time limitations do not come in the way of effective communication which impacts on organisational effectiveness. Where there is lack of trust, the manager has to ensure that the interpersonal problems are first worked through, and trust is established. This can be done through honest and open discussions, or if that is not possible, through help from third parties as discussed in Chapter 15 on Organisation Design and Development. Only then will perceptual distortions be minimised, and active listening enhanced. Also, knowing how to apply the technique of Transactional Analysis will help managers to ensure that they do not waste time in engaging in communication that does not yield the desired results. We will briefly discuss Transactional Analysis now.

## Transactional Analysis

One of the barriers to communication that we had discussed earlier was that people engage in crossed transactions. One way to ensure that crossed transactions do not occur is to examine conversations from a Transactional Analysis (TA) perspective. TA is a technique for examining the nature of the interpersonal communication between two individuals and to analyze whether or not effective communication is taking place. Every piece of conversation is treated as a transaction. That is, when I talk to X, it is one transaction, and when X responds, it is another transaction. As stated earlier, each transaction emanates from the parent, adult or ego state of the individuals. The parent ego state is authoritarian, the adult ego state is rational, and the child state is impulsive. Though all of us transact from all three ego states from time to time, each one of us generally tends to have a dominant ego state from which we transact most of the time. Communication is effective when the sender and receiver of the message operate from ego states that match, rather than conflict with each other. Transactions could be complementary or crossed. Complementary transactions have good communication going between the parties, whereas crossed transactions hinder communication processes.

**Complementary Transactions** Fig. 8.2 depicts two types of complementary transactions. In (a), for instance, the boss might talk from his parent (critical) state to the subordinate, and say, "I don't understand why you have not been submitting the reports that you were supposed to!", to which the subordinate might respond from the child state and say "My God! I just hate writing those boring reports but since you seem to need them, I will start working on them rightaway!" Here, the boss spoke like a parent to a child (somewhat critical and talking down to the subordinate), and the latter responded like the child to the parent (mildly protesting but then complying). Here the communication was effective inasmuch as it accomplished what it was supposed to. In situation (b) in the figure, two individuals talk from the adult ego state to each other and carry on a rational conversation. For instance, the boss might say, "You have probably been very busy, Patel, but I would appreciate it if you would try to turn in the reports as soon as possible", and Patel might respond, "Yes, I have been working on this new project which I just finished; I will get to work on the reports right away and make sure that they are on your desk by Monday." Here again, communication has taken place effectively.

**Crossed Transactions** A crossed or noncomplementary transaction takes place when people are talking to each other from incompatible ego states. For instance, if the boss says, "May be, you and I should sit down



and discuss why you are not performing as efficiently as before", she is transacting from the adult (rational) state. If the subordinate then responds, "Yes, I would like to do that so I can really improve my performance"; she is also responding from the adult state, and as we know, they would be effectively communicating with each other. If, on the other hand, the subordinate happens to reply, "I don't know why you always pick on me. I seem to get blamed for everything that goes wrong in this department", then she has a child-to-parent response rather than an adult-to-adult response. In other words, she enters the impulsive child state and responds to the boss as if the latter is the authoritarian parent. As shown in Figure 8.2 c, the vectors cross. In such a case, the manager trying to deal with the subordinate on a rational basis will not be successful in accomplishing the desired results (improving the performance of the subordinate) until the latter has had time to reflect and is prepared to respond on an adult-adult mode as shown in Figure 8.2 b (a complementary transaction).

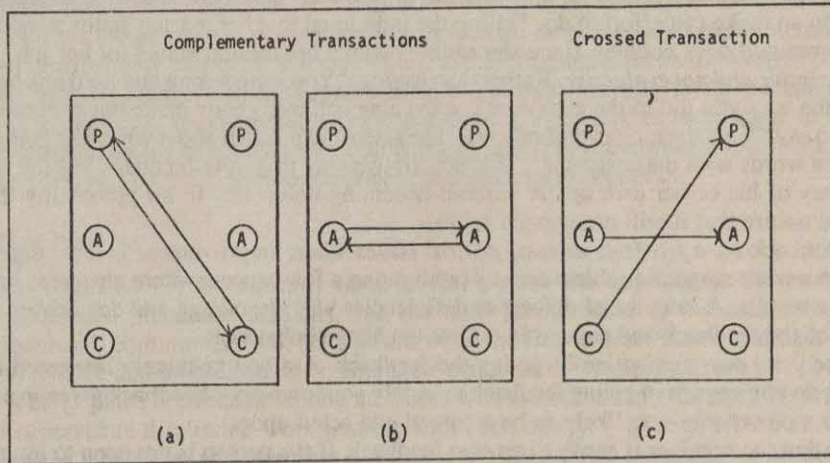


FIG. 8.2a, b, c

Transactional Analysis, or TA as it is known, is an intervention technique used by organisations to help people to communicate and operate more effectively as discussed in greater detail in Chapter 15.

## Giving and Receiving Feedback

Performance appraisal sessions and other types of similar communication situations between the superior and the subordinate which involve giving and receiving feedback become threatening to individuals in organisations. The parties often dread situations where feedback, especially negative feedback, is to be given to or received by individuals. People tend to react defensively during such sessions and not "listen" to the messages that are transmitted. Those who offer feedback are nervous and may handle their anxiety by couching their feedback in terms that are not useful or by becoming overbearing. However, only when feedback is given constructively and the receiver of the feedback is open to the constructive comments and suggestions, will the individuals be able to function better in the future. In Chapter 4 on Perceptions we saw how we can reduce our blind spots by being open to feedback. People develop and grow personally and professionally only when they have worked through their deficiencies, however, painful the process may be.

Since feedback involves two parties the giver and receiver of feedback, it is important to understand the conditions under which feedback sessions will be most effective, both from the giver's and receiver's perspectives. We will examine the aspects that the giver of feedback should be aware of to make the feedback process a useful exercise, and we will see what the receiver of feedback should do, to benefit from the feedback.



## Giving Feedback

For feedback to be most effective, the person giving the feedback must:

1. Give *specific* and not general or vague feedback. For instance, saying that a person is "always inattentive" is vague. Saying, "When I gave you the instructions regarding the project this morning, you were not attentive to what I was saying and continued to write whatever you were writing at that time", is more specific and the receiver will be able to relate to it.

2. Give feedback *immediately or soon after* the event has taken place rather than long after the event has occurred. For instance, telling me that I was rude or grumpy last evening when you asked me to work overtime, is more useful in my being able to relate to what is being said than being admonished that six months ago when you asked me to work overtime one evening, I was rude to you.

3. Give feedback on aspects that the receiver can *rectify* rather than on aspects over which the individual has no control. For instance, asking an individual to improve the quality or speed of the work is something that the person can make an effort to do. Telling the individual that her marital status stands in the way of her getting promoted does not help since she cannot change her marital status for her job.

4. Be *descriptive and not evaluative*. Rather than saying, "You were wrong and used improper judgement in behaving the way you did to the customer last evening and everybody else noticed it too", it would be more useful to say, "Last evening everybody was distracted and puzzled about what was going on when you exchanged hot words with the customer." This descriptive way of giving feedback lets the recipient judge the impropriety of his or her own action without becoming defensive. In all probability the person will apologise and assure that it will not happen again.

5. Give feedback on a few (*one or two*) critical issues where improvement is most urgently expected rather than on a wide range of problem areas. Highlighting a few aspects where change is needed, is more likely to bring results. A long list of defects or deficiencies will discourage and demotivate the individual to make use of the feedback and engage in efforts to change behaviour.

6. Examine your *own motivation* in giving the feedback. Are you genuinely interested in helping the other party or do you engage in giving feedback to satisfy your own ego? Feedback given in a helping mode rather than in a power mode, is likely to be received and acted upon.

7. Be sure that the *receiver is ready* to receive feedback. If the person is not open to let information in, nothing that is said will be fully listened to. The exercise will then be merely a waste of everyone's time. A rigid, defensive person is difficult to communicate with and give feedback to.

8. Be *non-threatening* and disregard your superior status while offering feedback. This will substantially help the receiver to let his/her defenses down.

## Receiving Feedback

For feedback to be most effectively utilised, the person receiving the feedback must:

1. Have the *motivation* to receive, consider and act on the feedback. If there is no desire to change, the feedback received will be of no benefit to the individual.

2. Be *nondefensive*. As long as we are keen on justifying our past actions rather than allowing new information to become available to us so that we can take a new look at ourselves, we cannot be helped by the feedback, however valid it may be.

3. Be an *active listener*. Active listening involves being 100 per cent attentive to the situation and what is being said. Very frequently, even though we might hear what is being said our mind may be wandering off, or we might be mentally preparing our responses while the other party is giving feedback, with the result, we do not actively listen. If we are not fully taking in what is being said to us, we cannot act in ways that will benefit us.

4. Seek *clarifications* from time to time. For instance, if the person says, "You are not willing to take on new responsibilities", ask the individual to explain this with specific instances as to when this occurred. Here you are not being defensive, but merely asking for a better understanding of when things happened and what is being referred to.



5. After the feedback, *think through the issues* and work out a plan of action in order to benefit from any valid feedback that has been given to you. Make sure that you do not ignore valid feedback or act on invalid feedback (see Schermerhorn, Sekaran and Ramaprasad, 1985 for a detailed discussion on this in the classroom context).

## The Structure of Communication

Hitherto, we have examined communication as a process. Communication has a structural side to it as well. How communication channels are designed in an organisation is a function of what purposes the communication is expected to serve. If communication is merely for purposes of the superior conveying orders to the subordinate, the channel of communication will be designed differently from how it would be if communication has the purpose of conveying messages to all managers at a certain hierarchical level. In a tall organisation with many hierarchical levels, communication usually flows from top to bottom and very rarely from the bottom to the top. In flat organisations where there are very few hierarchical levels, there are no formalized channels of communication, and people usually talk to each other in a free-flowing manner as necessitated by the exigencies of circumstances. Thus, the communication relationships among individuals are patterned by different interpersonal communication networks.

### Communication Patterns

Communication could be (1) Downward, when it flows from the superior to the subordinate (staff regulations, handbooks, procedure manuals, and the boss giving order to the employee, are all good examples of downward communication); (2) Upward when the flow is from the subordinate to the superior (the suggestion scheme and union leaders voicing their demands to management are potent examples); (3) Lateral when it takes place between or among members who are at the same level in the organization (for example, two supervisors discussing work matters with each other); (4) Diagonal when communication takes place between a manager and members of other work groups (for instance, the production manager talking to a salesman); and (5) External when members of an organization communicate with people outside the organization (manager interacting with clients or suppliers, salespersons communicating with customers, etc.).

### Improving Different Types of Communication

Managers can adopt different strategies for improving interorganizational communication. Steers (1977) suggests that downward, upward, and horizontal or lateral communication can be improved by managers following a few guidelines. These are briefly stated below.

**Improving Downward Communication** To improve downward communication, managers can present job instructions clearly to the subordinates, explain why things need to be done in a particular way so that the people who perform the jobs understand why they are expected to follow certain procedures, provide more feedback regarding the quality of employees' performance so that they continue to do the job in the correct manner, repeat important messages to make sure that the message gets registered, and sometimes, if necessary in the interests of communication efficiency or effectiveness, bypass formal communication channels and go directly to the intended receiver of the message (for example, a manager bypassing the foreman and dealing directly with the supervisor to obtain some information urgently). In addition to these, managers also need to communicate in a manner that will minimise, if not totally eliminate, role ambiguity, that is, employees not knowing what they are expected to do; role conflict i.e. employees being faced with two conflicting or contradictory sets of expectations on what they should be doing; and role overload, that is, employees expected to do too many things resulting in their not being able to handle the job properly.

**Improving Upward Communication** To improve upward communication, screen upward messages so that the more relevant aspects of the information are received by top management, provide the climate in which



members can communicate both positive and negative messages, detect biases when they occur, reduce status differences, and wherever possible, require quantified data to be submitted rather than providing subjective information for decision-making.

**Improving Horizontal Communication** To improve horizontal communication, establish openness and trust among members of various departments, develop reward systems that facilitate interdepartmental cooperation, learn what other departments are doing by getting involved in interdepartmental meetings, and, if possible, design the organization such that greater opportunities for interdepartmental contacts exist, for instance, a matrix rather than a traditional type of organizational structure will facilitate more interdepartmental interactions. The matrix structure is elaborated in Chapter 14.

## The Five Common Communication Networks in Organisations

In organisations, communication flows among groups of individuals in different patterns. The five most common networks are the ; (1) *Chain*, where one person transmits information to another as per the chain in the organizational hierarchy. For example, the President informs the Vice-President who then passes on the information to the Head of the Department, who tells her manager, who tells his supervisor, who then tells the clerk. Figure 8.3a represents a Chain; (2) *Wheel*, where one person ( a supervisor for instance) can communicate with (say) four subordinates, but the subordinates do not communicate with each other (Figure 8.3b); (3) *Circle* where each member can interact with the adjoining member (Figure 8.3c); (4) *All-Channel* where each of the individuals can communicate with all other (Figure 8.3d); and (5) *Inverted Y* network where two people report to a boss, who has two levels above, and the communication flows in the pattern shown in (Figure 8.3e). Some of these networks allow for speedy flow of communication, and some others are better for controlling unnecessary flow of information. The former also offers more satisfaction to employees in the system than the latter. Managers can design their sub-unit's flow of communication according to the goals they want to pursue.

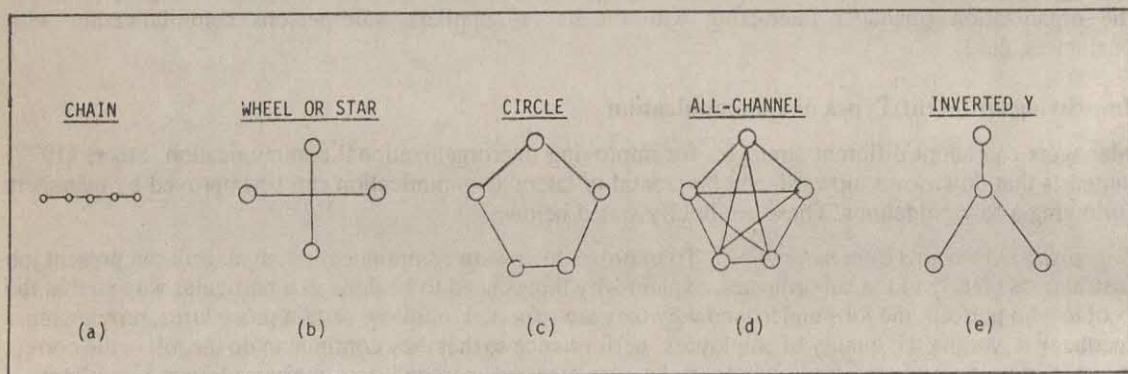


FIG. 8.3 Communication Networks

## Effective Communication and Employee Behaviours

Effective communication will bring forth desired behaviours from organisational members. A clear communication of role expectations helps the employees to understand how they should behave and what kinds of work attitudes and performance standards would be acceptable to the system. Most of the time, employees take their cues from the nonverbal actions of significant others, as much as they do from their verbally communicated messages. For instance, employees who observe a busy executive who always



appears harried, with a constant frown on his face, get the message that the individual is too busy to be bothered with information from others. The attitude of the employees towards this executive then becomes one of hesitation and nervousness even to bring important matters to his attention. The consequences of this might be, as we can well imagine, pretty adverse at times.

When two people have a series of miscommunications, they are likely to end up in a major conflict at some time or the other. It cannot be over-emphasised that every relationship, whether it is boss-subordinate or between peers, has to be built on trust and open communication. Trust is a prerequisite for authentic communication and is built over a period of time. Organisations should foster cultures in which openness and authenticity are valued and rewarded. Trust and good communication help in building healthy and productive relationships, helpful encounters, greater problem solving behaviours of the organisational members, and greater productivity for the system, together with greater satisfaction for the employees.

## Summary

In this chapter, we examined the communication process, communication networks, the barriers to communication, and how the barriers can be minimised. Communication is the artery of the organisation and has to be kept healthy and free-flowing so that the system can function smoothly and effectively. Managers must pay particular attention to communication processes in organisations and aim for the maximum possible effective and efficient communication, making judicious choices about when effectiveness is more important and when efficiency is. By paying careful attention to the communication processes and structures, managers will be better able to coordinate the activities of employees and attain the goals of the institution. The sender and receiver of messages can control much of the noise by becoming aware of the barriers to communication and effective ways of dealing with them. It is particularly important for managers to effectively utilise feedback systems. Mutually satisfying interpersonal work relationships can develop and flourish by carefully designing the communication structure and encouraging trust and openness in communicating with others to ensure organisational effectiveness.

In the next two chapters we will discuss group dynamics where communication plays a vital part.

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## Discussion Questions

1. What kinds of "noises" hinder effective communication between the professor and the students in the classroom? Explain giving specific examples.
  2. What is empathic listening? Discuss a situation where you have witnessed this.
  3. Describe different situations where the chain, the wheel, the circle, and the all-channel networks will be useful in organisations. Give reasons why they would be so.
  4. Give instances of crossed and complementary transactions to which you have been a party. Describe the ego-states of the parties in each case, detailing the transactions which you are analysing.
  5. Nonverbal messages are as important as verbal communication. Can you think of situations where the body language of another person has communicated a message to you—openness, defensiveness, frustration, boredom, impatience, enthusiasm, attentiveness, etc.? Describe three significant situations where you have sensed nonverbal messages, explaining how the message was transmitted and interpreted.
  6. Do you think managers and employees would look forward to performance appraisal sessions? Give reasons for your answer. What do you think would be the greatest barrier for you in receiving feedback?
  7. How do you think managers will benefit from reading this chapter?
-



## Communication Exercise

### Step One:

1. Get into groups of three members — A, B, and C.
2. Let A first tell B for about four minutes the most exciting experience that A has so far experienced.
3. B will now repeat the gist of what A said, as understood by B, in less than two minutes.
4. C, who has been an observer, will now comment for about three minutes on the entire communication process using the concepts in this chapter.

### Step Two:

Now B will take on A's role, C will take on B's role, and A will take on C's role as described in step one.

### Step Three:

Repeat the cycle with C narrating an exciting episode to A with B being the observer. Group members are next to summarise in about five minutes what they have learnt from this exercise. Be prepared to share your discussions with the entire class.

### Step Four:

Assemble as a class and discuss.

## Upward Appraisal<sup>1</sup>

The purpose of this exercise is two-fold:

1. To give feedback to the professor, who can be considered the "organisational superior"; and
2. To observe how the feedback is received by the professor.

Both issues will be discussed at the end of the class.

### Procedure

1. Get into groups.
2. The instructor will leave the room.
3. Convene in your assigned groups for a period of 10 minutes. Create a list of comments, problems, issues, and concerns you would like to have communicated to the instructor with regard to the course experience to date.
4. Select one person from the group to act as spokesperson in communicating the group's feeling to the instructor later.
5. The spokespersons should briefly convene to decide on what physical arrangement of chairs, tables, and so forth is most appropriate to conduct the feedback session. The classroom should then be rearranged to fit the desired specifications.
6. While the spokespersons convene, persons in the remaining groups should discuss how they expect the forthcoming communications to develop. Will it be a good experience for all parties concerned? Be prepared to critically observe the actual communication process.
7. The instructor should be invited to return and the feedback session will begin. Observers should make notes so that they may make constructive comments at the conclusion of the exercise.
8. Once the feedback session is completed, the instructor will call upon the observers for comments, ask the spokesperson for their reactions, and open the session to general discussion.

<sup>1</sup>Modelled after an exercise developed by Professor Schenmerhorn for class use.



## A Case Study

### A Case of Letting One's Hair Down

Mr. Rajan, the manager of Suratmal Jewellers in Coimbatore called the sales clerk, Mr. Singh, to his office on a bright sunny morning and said, "The annual audit is due and the chartered accountants will be coming next week to examine our accounts. I want you to organize all the sales and purchase receipts neatly. You simply cannot let your hair down on this. We must be perceived as a neat and tidy operation and I want things to proceed without any hitch." Singh just mumbled, "Yes, sir", and walked out. After he returned to his seat he appeared very distracted and could not concentrate on his work all day. He remained absent the next day, and the day after, he walked in with his letter of resignation which he handed over to his supervisor, Mr. Kiren. Kiren was stunned. "What is the problem? What is wrong? Why are you resigning?" asked Kiren to which he could not elicit any answers from Singh. Kiren took Singh out to a nearby hotel and over a cup of coffee and some masala vadas he tried to explore the reasons for Singh's sudden action. "Do you have another job which pays you more?", he asked, to which Singh replied, "The Manager wants me to shave off my beard by next week, and I can't do it because it is against my religion. So I am resigning my job, Mr. Kiren".

Discuss the following with reference to the above case:

1. What were the encoded and decoded messages?
2. What are the concepts relevant to the above communication problem?
3. What should Kiren do now Why?



# 9 Work Groups and Group Dynamics in Organisations

Organisations achieve their goals by allocating tasks to groups of people who are held responsible for accomplishing them. Through the division of labour among the various groups, and the co-ordination of their activities, organisations function in an efficient, systematic, and orderly manner. Groups provide synergy to the organisation. The term synergy connotes the creation of a whole which is greater than the sum of the individual parts. For example, synergy is obtained when  $(1+1+1)$  is not merely 3, but can be made to add up to more than 3. This can be explained through an example. Let us say that three knowledgeable individuals are given the task of solving a problem. The ideas generated jointly by these three individuals will be richer and more creative than if the three individuals generated their own ideas without any interaction among them. The ideas generated jointly will be better than the individually generated ideas because the three now jointly and creatively explore several different alternatives, discuss the pros and cons, and develop integrated thoughts which are more innovative, thus arriving at a much more powerful solution than what they would have been able to achieve individually. The group has thus been able to develop synergy by merely interacting with each other and using their combined wisdom to generate integrated solutions. Likewise, in organisations, groups provide synergy because of task specialisation and co-ordination of activities.

## Synergy Through Groups

Division of labour or specialisation enables workers to develop expert skills and perform their tasks efficiently. By repetitively performing the same operations, employees become skilled at their work and perform their tasks faster and better. The specialised activities of the members of different groups in the organisation are then co-ordinated by others who are responsible for integrating them. It is this combination of specialisation and co-ordination which provides synergy to the organisation. Let us illustrate this with an example in a manufacturing company. Because of division of labour, the members of the production department become experts at producing the company's goods, the marketing department gains expertise in finding distribution channels for these goods, the sales department is able to quickly and efficiently identify the potential buyers and sell the goods, and so on. If this division of labour among the groups or departments is lacking, the organisation will not be as efficient as it could possibly be. The co-ordination of the manufacturing, marketing, sales and other functions by the vice president or any other designated person in the company is also the reason why synergy is attained. If there is no proper co-ordination of the various groups' or departments' activities, a final end-product cannot be attained and the goals of the organisation cannot be effectively achieved. Thus, synergy is a function of both division of labour and co-ordination of activities in organisations. Since groups provide synergy through specialisation and co-



ordination, they are integral to the organisation's functioning. This is the reason why work groups are created and are ubiquitous in organisations.

## Work Group

A work group can be described as a collection of individuals working towards a common goal and who are interdependent to a significant degree as they relate to, and interact with each other while performing their tasks.

## Why Study Groups?

Though we have described groups as a collection of individuals, managing groups in organisations is different from, and more difficult than, managing individuals. This is due to the fact that groups exhibit patterns of behaviour that are different from the behaviours of members in their individual capacity. Despite its complexity, however, managers have to deal effectively with groups because of the synergy they provide. By understanding groups and the dynamics of group behaviour, the manager will be able to utilise groups to the mutual advantage of the group members and the organisation.

## Formal and Informal Groups

Both formal and informal groups exist in organisations. *Formal groups* are collections of employees who are made to work together by the organisation to get the job done smoothly and efficiently. For example, if five members are put together in a section to attend to customer complaints they would be a formal group. Members who have been grouped together in a department with task responsibilities assigned to them, are also a formal group.

*Informal groups*, on the other hand, are groups that emerge or randomly get formed due to the formal group members' interactions with each other, and thereby, develop common interests. In other words, informal groups are not formally organised in the work system to get the job done, but randomly develop on their own at the workplace because of common interests and mutual liking among the members of the formal group. For example, two members from the production department who interact with a couple of people from the Research and Development department during the course of their work, may find that they have similar ideas and interests, develop an affinity towards one another, and frequently meet and talk to each other on work and nonwork related matters, thus forming an informal group on their own. Likewise, members from different units in an organisation, or members from within the same formal group can develop friendships and form their own informal groups. Members of the informal groups sometimes also interact with each other outside the workplace. Some members from a work group who have developed informal relations may, for instance, play tennis in the evenings or have bridge parties on Sundays. Thus, while formal groups are designed by the organisation to function as a unit to get the job done, informal groups emerge on their own due to the affinities that develop among the group members. Groups develop their own unique characteristics and each group has its own "personality". These are reflected in the way the members operate as a group.

## Group Dynamics

Group dynamics is a global or comprehensive term used to describe the nuances of groups' operations. It encompasses the dynamics of interaction patterns within the group, the subtle and the not-so-subtle pressures exerted by group members, the manner in which decisions are made in the group, how work gets done and members' needs are met. Understanding these group dynamics will enable managers to competently harness the synergy of the group members. In this chapter we will discuss intra-group



dynamics (that is, dynamics within a group) and in the next chapter we will discuss inter-group (or between groups) dynamics

## **Group Behaviour**

As stated earlier, the behaviour of individuals in their personal capacity can be more easily controlled than the behaviour of group members. Homans (1950, 1961) has contributed significantly to our understanding of group behaviour.

### **Required and Emergent Behaviours**

George Homans who studied small groups and their behaviour patterns formulated theories capturing the complexity of group behaviour. He made a distinction between what he called "required" and "emergent" behaviours. Required behaviours refer to those actions that the organisation expects the employees to engage in to get the job done. These are communicated to employees through job descriptions, staff regulations, other formal documents, and through the psychological contract—that is, the mutual expectations of contributions and rewards set forth between the employer and the employee. Emergent behaviours, on the other hand, are those behaviours that group members actually engage in at the workplace as members of the informal group. Homans used three concepts: activities, interactions and sentiments to explain the required and emergent behaviours of group members.

### **Activities, Interactions and Sentiments**

*Activities* are those behaviours that group members engage in, and include the efforts they make, both in getting the required group tasks done, and engaging in social activities such as taking coffee breaks together, going out for lunch at the same time, chatting, etc. The group task activities are required behaviours and the social activities are emergent behaviours.

*Interactions* are the face to face dealings among group members, whether within their own work group or with other group members in the organisation. Interactions involve information exchange—giving and receiving information—and includes both verbal and nonverbal exchanges among the members. The required interactions call for information exchange relating to task performance only, whereas the emergent interactions might go beyond this and involve information exchange pertaining to the social side of employees' lives.

*Sentiments* are feelings, attitudes, beliefs and values held by group members. The impersonal side of the organisational system would not require any sentiments other than concerns about getting the job done, but the emergent sentiments of group members would reflect their feelings of attraction and repulsion, attitudes of likes and dislikes, satisfactions and dissatisfactions, and beliefs and values of what is right and wrong.

### **The Links Among Activities, Interactions and Sentiments**

Homans theorized that the tasks given to individuals by the organisation will require them to engage in certain activities and interactions (i.e., the required activities and interactions). The greater the number of activities to be performed by group members, the greater will be their level of interactions. The greater the level of interactions among the members, the greater the likelihood of their developing positive feelings and a liking for each other. The sentiments thus formed will urge them to interact with each other even more. Thus, activities result in interactions and interactions give rise to sentiments. In essence, out of the task group formally designed by the organisation, a sentient group, that is, a social group with feelings of warmth and affinity, gets created. The behaviours that emerge from this sentient group will differ substantially from the required behaviours prescribed by the organisation.



## The Links Between Required and Emergent Behaviours

Certain kinds of behaviours are required of the task group and are demanded by the organisation, such as, employees coming to work on time, completing the required amount of work, being responsible for doing work of a specified quality, and so on. These "required" behaviours may or may not coincide with the "emergent" behaviours of the sentient group. For example, the informal group's emergent behaviour will conform to the required behaviour when group members act in consonance with what the organisation wants them to do, as for example, when they come to work on time and do the expected quality and quantity of work. On the other hand, the emergent behaviour will be incongruent with the required behaviour if the group members spend a lot of time talking to each other during work hours, become careless about the quality of their output, and/or not produce as much as they should. Since the emergence of informal groups cannot be prevented or controlled, it becomes imperative that group behaviours are "managed" to coincide with the organisation's required behaviours. In other words, the emergent behaviour of the group should be facilitated to mesh with the required behaviours in order to accomplish the organisation's goals.

## Psychological Groups

In some informal groups, members may develop a high level of sentiments or affinity among themselves, and become aware of one another's needs and potential contributions. Such a group is called a *Psychological Group*. A psychological group evolves when the informal group members have become very close-knit, derive their sense of personal identity from being a member of the group, become very aware of each other's needs, strengths, and personalities, and develop strong feelings of togetherness or oneness among themselves. A strong "we" feeling and a "we" orientation among the group members is characteristic of psychological groups. The psychological group members' identification and loyalty are primarily to their own group, and only secondarily to the organisation. Informal groups, and to a greater extent, psychological groups can either be functional or dysfunctional to the organisation, depending on whether the goals of the organisation and that of the group mesh or differ.

In sum, the kinds of behaviours required of the formal group by the organisation and the type of behaviours that emerge from the members after they become an informal group, can be different, and the managers have to understand and even anticipate this to happen. By restructuring the task activities and using appropriate group processes as discussed later in this chapter, it is possible for managers to channel the emergent behaviours in a way that will help the organisation to achieve its goals.

The relationships among the concepts discussed in this section are diagrammed in Fig. 9.1 below.

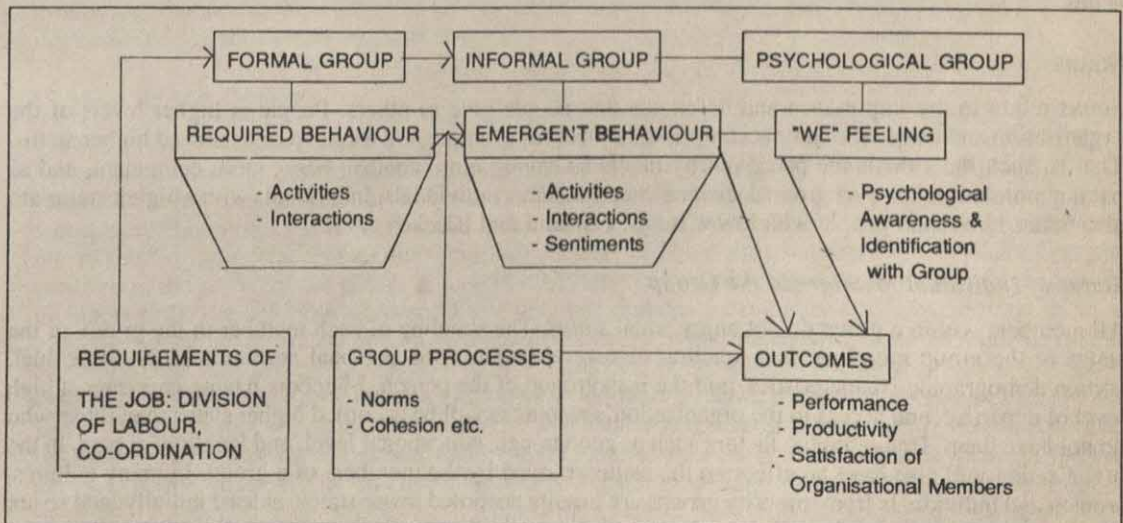


FIG. 9.1 Task Requirements, Group Behaviours and Outcomes



## Some Further Concepts Relevant to the Study of Group Dynamics

It is useful to examine some concepts that are relevant for describing groups and exploring group dynamics. They are: norms, idiosyncratic credit, status, cohesion, conformity and deviance, and groupthink.

### Norms

*Norms* can be described as shared beliefs among group members as to what behaviours are appropriate if one desires to be a part of and belong to the group. In other words, norms set the standards regarding how one "ought to" behave if one wants to be an accepted member, that is, a member of "good standing" in the group. The norms of a high performing group, for instance, might be that members should always produce work that is of high quality. The pride the group takes in its work might be the reason that such a norm is set. Norms become unwritten rules, or implicitly understood codes of conduct for group members. Interestingly, norms become explicit only when they are broken. For instance, if the norms of a group include punctuality in attendance, and if a group member comes late, the other members are likely to react to this behaviour in several subtle and not so subtle ways. The leader or other members of the group, for instance, could give the late-comer a dirty look, sarcastically comment on the tardiness, or even give a "friendly" punch on the arm or pinch the cheek! Such gestures and words send out signals to all the group members that a norm has been violated. Norms are thus learnt by members through observation, and through reinforcement (being rewarded when one conforms to valued norms and punished when one violates valued norms). If an individual consistently transgresses the norms, ignoring the signals sent out by members, the worst punishment will follow: he or she will, sooner or later, be totally ignored and devalued as a member of the group, thus losing status in the group.

### Idiosyncratic Credit

The group leader and some valued members of the group may, however, sometimes violate a group norm with impunity. That is, when the leader or another valued member of the group transgresses a norm occasionally, the group members will tolerate the transgression without lowering the individual's status because of the many contributions that the members make to the group's development and progress such as providing expertise, leadership, etc. In effect, these members have accumulated goodwill—*idiosyncratic credit*—and are thus tolerated by the group members when they occasionally violate a norm (Hollander, 1978). But even the leader cannot consistently violate the group norms and still enjoy the leader's high status.

### Status

*Status* refers to the importance and deference that people give to others. People at higher levels of the organisation and those who have accomplished much, for example, are ascribed or bestowed higher status. That is, such individuals are perceived by others as having more control, being more competent, and as having more influence over group decisions than low status individuals. Individuals with a higher status are also better liked than people with lower status. (Thibaut and Riecken, 1955).

### Status of Individual Members in the Group

All members within a group do not enjoy equal *status*. The standing of each member in the group, or the status of the group members, is a function of several factors—the personal attributes of the individual, certain demographic characteristics, and the background of the person. Members having charisma, a high level of expertise, and access to the organisation's resources will be accorded higher status than those who do not have them. Demographic factors such as gender, age, educational level, and length of service in the organisation will also have an effect on the status enjoyed by the members of a group. In many cultures, women and individuals from minority groups are usually accorded lower status, at least initially, and so are the young and the inexperienced. In order to gain status in the group, these members will have to make



valuable contributions to the group's goals and "prove" their worth before they are likely to be accorded higher status by the group members. Significant contributions to the group include such factors as offering much needed technical advice, providing vital information, maintaining the group together, and leading the group. It is because of these contributions made to the group, that the members are tolerated when they sometimes violate group norms, that is, they are given idiosyncratic credit.

The family, social, and cultural background of the group members will also contribute to the status enjoyed by them in the group. Persons with high family connections, those having high positions or status in the community, or are highly respected by social groups, or are considered important by outside organisations will be accorded higher status. For example, if a group member is the son of a supreme court judge, or is on the board of directors of a prestigious company, or is the head of a social service organisation, or a trustee of a Tata fund for scholars going abroad for higher studies, he or she will be accorded higher status by the work group members.

### Cohesion

*Cohesion* refers to the extent of unity in the group and is reflected in the members' conformity to the norms of the group, feelings of attraction for each other, and wanting to be co-members of the group. Attraction, cohesion, and conforming to norms are all intertwined. The more the members feel attracted to the group, the greater will be the group cohesion. The greater the cohesion, the greater the influence of group members to persuade one another to conform to the group norms. The greater the conformity, the greater the identification of the members with the group, and the greater the group cohesion.

Cohesive groups work together to achieve the group goals. They can be considered as valuable assets to the organisation if the group's goals coincide with the organisation's goals. If, however, the groups and the organisation work at cross purposes, cohesive groups can be detrimental to the organisation achieving its goals. For instance, if the goal of the organisation is to increase productivity, the groups can be persuaded to work towards this goal through appropriate inducements such as better pay or a share in the profits. If the organisation and the groups can subscribe to common goals, then the highly cohesive groups in the work system will be valuable assets to the organisation. Here the required and emergent behaviours of the groups become identical. However, if the groups do not, for whatever reason, subscribe to the organisation's goal, say, of productivity, then cohesive groups in the work system will be detrimental to the organisation's goals since the group members will then be working towards their own goal of slowing down production rather than raising productivity. In this case, the required and emergent behaviours are incongruent and the cohesive groups will become counterproductive and dysfunctional for the organisation. Thus, cohesive groups can be useful or dysfunctional for organisations depending on whether the group's and the organisation's goals are congruent or not.

### Conformity and Deviance

For various reasons, group members generally conform to group norms and abide by the group's decisions. Some members do so even when they know that such *conformity* is against their own best judgement. One reason for conformity is that members want to belong to a group so that their social needs are met at the workplace. Their needs for affiliation and inclusion in a social group are satisfied when they are treated as one of the "in-group" (accepted) members, and one way of being accepted as a member of the group is to conform to the norms of the group. A second reason is that sometimes, group conformity is perceived by members to be the best way to respond to a new and ambiguous stimulus that they are exposed to. For example, a new and confusing order may be suddenly issued by the management asking employees to either come one hour early to work or stay an hour late for the rest of the summer. Employees may not understand the reason for this new order and may be torn by conflicting feelings as to whether or not they want to comply with an order which interferes with the well established schedule in their daily life. In such a case, the employees' responses to the new order (novel stimulus) would be to conform to whatever the group decides. If, for instance, the Union makes a decision not to comply (or to comply) with the order, the tendency will be for the employees to go along with whatever the Union decides, since conformity serves



as a security and protection to the members in the midst of a confusing and threatening ambiguous situation. Thus, conformity sometimes is for reasons of coping with ambiguous and new stimuli in the work setting.

A third reason for conformity is the pressure exerted by the group on non-conforming members. Solomon Asch did a classic study to demonstrate how individuals conform to group pressures much against their good judgement, especially when the size of the group is small. Asch (1955) created a laboratory situation where a naive subject was seated with several confederates who were instructed to start off with misleading answers to a question. The problem-solving incident was to identify which of three lines A, B, and C, all of different lengths, was closest to another line X, as shown in Fig. 9.2 below. The confederates were tutored to identify line A to be equal to X, even though it was the incorrect answer since line C was the only line that matched X. The results of the study indicated that when confronted with a unanimous (wrong) answer by the confederates, the majority of the naive subjects, who originally accurately perceived the correct solution (line C being the closest to line X), went along with the majority decision and agreed with the incorrect answers. In other words, the experimental subjects went against their own better judgement, and rather than express a conflicting opinion and sticking to it, found it easier to go along with the majority opinion.

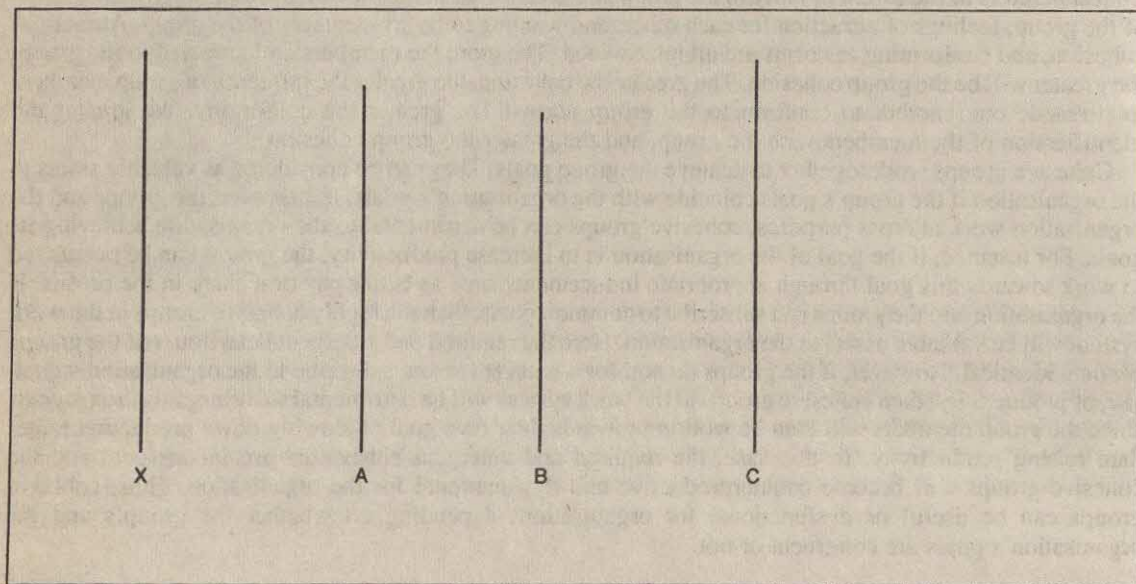


FIG. 9.2 Asch's Experiment on Group Pressure and Individual Judgement

### Deviants

Some individuals, however, may refuse to conform to group norms or accept group opinions. Usually members with a strong personality (great ego-strength) and a low tolerance for others' views and opinions which contradict their own values, will find it practically impossible to conform to the group. Such non-conformists who refuse to go along with the group are known as *deviants*. Initially, much pressure will be exerted on the deviant by other group members to conform to the group's norms and values. When the deviant refuses to give in to these pressures, there will be negative sentiments expressed against the individual, and in due course of time the person will be treated by the others as an "out-group" member. The deviants thus become "isolates" and get isolated from the rest of the group members.

### Groupthink

*Groupthink* is a phenomenon where all members in a group tend to go along with the group's thinking and decision without wanting to use their critical evaluation and judgement. Here no external pressure is applied



to conform to the group's decision. Janis (1971) stated that groupthink occurs when, "the members' striving for unanimity overrides their motivation to realistically appraise alternative courses of action." The results of groupthink are often such that poor quality decisions are taken and inappropriate responses are made to situational needs. Janis (1972) cited several bad political decisions made in the U.S.A., such as the Bay of Pigs fiasco and the Vietnam War due to the groupthink phenomenon operating in the decision-making environment.

When groupthink exists in a situation, the group tends to:

1. ignore external information;
2. overestimate its own abilities and capabilities to make good decisions;
3. become complacent about its invulnerability;
4. rationalise or reject data that tend to disconfirm its original views and judgements;
5. stereotype others' views and opinions as stupid or evil; and
6. mistake the silence of its group members for unanimous consent (Janis, 1972).

In a group where the groupthink phenomenon operates, members constantly monitor and censor themselves to ensure that they are going along with the group's opinion and not deviating by expressing a different viewpoint. Too much group cohesion, thus, has the built-in danger of group members falling into the trap of groupthink, which in turn, compromises good decision-making, especially in complex situations.

### **Decision-Making in Groups**

Decision-making is the process whereby a final choice is made among the different alternative courses of action that are available for solving complex problems. Decisions can be made in groups in different ways. The manager or the group leader can make work group decisions without consulting the members, or decisions can be made through a consultative process where the inputs of group members are obtained but the decision is still made by the leader. A third method is for the group as a whole to make the decisions. The first process is called *individual decision-making*, the second is called *consultative decision-making*, and the third is called *group Decision-making*. Group decision making can be either through the consensus mode or through majority vote. Consensus implies that all members must agree to the proposed decision, whereas majority vote implies that it is enough for the majority of the group members to agree on the decision arrived at.

### **The Group Decision Making Process**

When should group decision processes be resorted to? When the issues to be decided are complex, and require varied skills, knowledge base, expertise, and experience for generating the required problem solutions, group problem-solving processes should be attempted and are likely to result in better decisions and solutions than individual decision making. Group decision making processes, however, demand greater time and interpersonal skills among the group members in order to obtain the ideas of all the group members and discuss them in a productive way. Needless to say that the size of the group has a great impact on the group decision making outcomes.

### **Group Size and Decision-Making**

Research indicates that as the number of members in problem-solving groups increases beyond a certain point, the quality of the decisions made by the group tends to decrease. Though an ideal group size has not been determined, groups of five to seven members have been found to be effective for problem solving where the consensus method is used. In a group of this size, the group members get adequate opportunities to express their opinions, listen to each other, seek clarifications on points that are not clear, and come to a unanimous decision. As the group size increases, the opportunities for such close interactions tend to get limited, especially when there are time pressures to reach a decision. However, larger groups may be necessary where a wide variety of skills, knowledge, and expertise from different functional areas is required for making decisions on critical organisation-wide issues. Decisions on new product development



may require several people from the design and engineering department, the production, marketing, sales, finance, accounting, customer service, legal, R & D, and other departments, thus making a large group essential for making such decisions. Since seeking consensus from such a group may be practically impossible, the decision-makers may merely obtain the viewpoints of this group, and make the ultimate decision in a much smaller group using the consensus method. The majority vote method is used in big groups where the group members' inputs and backing are necessary for decision making, as for instance, when Unions take majority vote on issues of pay or other demands made by them.

### ***The Risky Shift***

An interesting research finding is that when groups engage in decision making, they are willing to take greater risks than when the same members make decisions individually (Stoner, 1961, 1962). For instance, individuals tend to make conservative decisions where huge investments are to be made. However, when the same kinds of decisions are made by groups, the decisions made are less conservative. Groups feel more at ease and comfort making riskier decisions. Higher risk taking behaviours in a group are probably a function of the responsibilities for the consequences of the decision being shared by all the group members rather than one individual shouldering the entire burden. This phenomenon or tendency for groups to take greater risks while making critical decisions when compared to individual decision making, is known as the Risky Shift.

### ***Influence Processes in Groups***

Decision outcomes are also a function of the influence processes operating in groups. However egalitarian a group may like to be, it is nevertheless a fact, that some members are likely to have a greater impact than others on how the decisions are made. Members with higher status, either due to their background or expertise, are likely to exert subtle pressures, manipulate, coerce, appeal to value systems, or otherwise alter or sway the thinking and attitudes of the other group members in a particular direction. Thus, the decisions that are made in a group are also a function of the influence processes that prevail in a group.

It can thus be seen that various factors and several group phenomena impact on the group's decision making processes.

### ***Useful Behaviours for Consensus Decision-Making in Groups***

Group consensus is important when critical decisions that are made require the cooperation of group members for their successful implementation. However, group consensus in decision making is difficult to obtain without falling into the group think syndrome. Hence, some points to be borne in mind while groups engage in the consensus decision making mode are, that members:

1. present their position logically and listen to the comments of others carefully before pressing their own viewpoint;
2. not yield to others' viewpoints merely to avoid conflict, especially when those viewpoints are not logical;
3. seek to engage every member in the decision making effort, and elicit different opinions and viewpoints from all members so that a wide range of alternative solutions become available for decision making;
4. do not try to avoid conflict by using such procedures as resorting to majority vote, tossing a coin, and the like;
5. not take "win-lose" positions and reach a stalemate, but rather look at successive attractive alternative solutions that seem acceptable to all members; and
6. explore and discuss underlying assumptions when opinions are expressed, listen carefully to each other and encourage the expression of all viewpoints.



## Group Effectiveness

An effective work group can be defined as one, which, over extended periods of time, achieves a high level of task performance and keeps its human resources intact as well. *Task performance* refers to the effective achievement of the goals set for the group, and *human resources maintenance* refers to the high morale and satisfaction experienced by the group members, their feelings of pride in belonging to the group, and their psychological commitment to the group and its goals. Thus, group effectiveness refers to the task accomplishments of the group while the group simultaneously maintains itself as a cohesive, satisfied, and well-integrated unit. In other words, an effective group continuously takes care of both task performance and maintaining its members' social relationships and satisfaction. These do not automatically take place in groups, and as discussed later, members of effective groups take on the responsibility for playing certain task and maintenance roles so that both criteria of group effectiveness are simultaneously obtained.

### A Framework for Examining Factors Influencing Group Effectiveness

There are several factors which influence the effectiveness of a group. Certain characteristics of the group, the types of tasks they perform, the work setting, and the dynamics of the group that operate within the work setting all have an influence on group effectiveness. We can examine group effectiveness using an Input-Throughput-Output model as shown in Fig. 9.3. The inputs have an influence on the throughputs or group processes, and the throughputs, in turn, influence group effectiveness (the outputs).

INPUTS	THROUGHPUTS (Group Processes)	OUTPUTS
<b>ORGANISATIONAL SETTING</b> <ul style="list-style-type: none"> <li>- Work Environment, Seating, Layout</li> <li>- Workflow Arrangements</li> <li>- Group Size</li> <li>- Reward System</li> </ul>	<b>NORMS &amp; COHESION</b>	<b>TASK PERFORMANCE</b> <ul style="list-style-type: none"> <li>- Quality</li> <li>- Quantity</li> <li>- Timeliness</li> </ul>
<b>NATURE OF TASK</b> <ul style="list-style-type: none"> <li>- Task Complexity</li> <li>- Analysability of Procedures</li> </ul>	<b>DECISION-MAKING PROCEDURES</b>	<b>HUMAN RESOURCES MAINTENANCE</b> <ul style="list-style-type: none"> <li>- Group Morale</li> <li>- Member Satisfaction</li> </ul>
<b>GROUP MEMBERS' CHARACTERISTICS AND COMPOSITION</b> <ul style="list-style-type: none"> <li>- Skills, Abilities, Experience</li> <li>- Work Values</li> <li>- Status Congruence</li> <li>- Number of Members</li> </ul>	<b>TASK &amp; MAINTENANCE ROLES</b>	

FIG. 9.3 Input-Throughput-Output Model of Group Effectiveness

We will first examine the variables under "Inputs" in Figure 9.3 and see how they impact on the Group Processes and Group Effectiveness.



## Inputs

The inputs constitute: 1. certain factors in the organisational setting, as for instance, the work environment, seating arrangements, layout of the workplace, how work flows within the system, the size of the group, and the reward systems; 2. the level of complexity of the task to be performed and 3. group members' composition in terms of abilities, experience and work orientations.

### Organisational Setting

If group members are in close proximity to each other in the work setting, they will interact more with each other and sentiments will develop faster. If the work flow technology makes them very interdependent on each other, then again, the activities will make them interact more frequently, there will be more communication among the members, and norms will soon develop as to who should do what, and what kinds of behaviours will be expected from the members, when, and in what sequence. If the size of the group is big, the group processes used are likely to be different from those that will emerge if the groups are small in size. Usually, smaller groups are likely to be more cohesive since there will be much closer interactions among the group members, and the individuals are more likely to adhere to the group norms. Research also indicates that members of small groups express greater satisfaction with their group, than members of larger groups. If the reward and incentive systems are group-based rather than individually oriented, there will be more collaborative efforts among the group members and a different set of norms will develop and operate in the group. On the other hand, competitive behaviours will develop among the group members when the reward systems are geared towards individual excellence in performance. Factors in the organisational setting thus have a great influence on both the group processes and group effectiveness.

### Nature of Task

The complexity of the task and the analyzability of the procedures involved in performing the task are two important variables that will influence group processes and group effectiveness. The group task could be complex and require high level skills in the members to perform the many operations in completing the job. In performing such tasks, easy and readily available solutions may not exist to determine the most effective way of accomplishing the goal. For instance, problem solving groups in the Research and Development departments of most organisations handle complex tasks, where set procedures for innovating new technologies or creatively designing effective methods, are unavailable and have to be "discovered". The challenges faced by these groups in performing such complex tasks certainly cannot be compared to those faced by groups performing simple, routine tasks, where the sequence of activities is known and the procedures are analysable as in the Production Department. The group processes in the former case will entail extensive problem solving discussions, more complex decision-making processes, and frequent and long interactions among the members, whereas in the latter case, minimal interactions would be necessary for decision making or problem solving. Thus, the group processes will vary based on the extent of task complexity and analysability (that is, the extent of ambiguity). The effectiveness of the group processes ultimately impacts on the group's total effectiveness.

### Group Member's Characteristics and Composition

The range of skills and abilities available among group members, their orientations towards work, their needs and motivations to be in the group and be accepted as group members, their value systems regarding what is right and wrong, what is correct and incorrect, the homogeneity among group members in terms of status congruence, and such other factors, influence the processes that are adopted in a group. How problems are solved, who makes decisions for the group, what kinds of norms are developed, and the extent of group cohesiveness are all a function of the group members' characteristics and the group's composition. The size of the group makes a difference in the group processes. As we have seen, smaller groups attain group cohesion much quicker and more easily than bigger groups, and we have already discussed how group



size also makes a difference in the nature and quality of the decisions made in the group. Thus, group composition and member characteristics influence group processes and ultimately, group effectiveness.

## Throughputs

Throughputs refers to all the group dynamics that result in task performance and member satisfaction. Some critical group processes are the norms developed in groups, group cohesiveness, decision making processes adopted in the group, and the extent of task and maintenance activities performed by the group Members.

## Norms and Cohesion

We have already seen the relationships among the factors of group size, group members' characteristics, homogeneity among the group members in terms of their needs, values, and motivations to belong to the group, and the development of norms and group cohesion. Where group members subscribe to the same norms and the cohesive groups have the same goal orientations as the company, the task performance of the group will be high both in terms of quantity and quality. Such groups will also experience high morale and satisfaction, and members will be committed to the group goals. On the other hand, groups in which members do not subscribe to the same norms, and extensive polarisation regarding values and work orientations exists among the members, the group will lack cohesion and will experience low morale and a high level of dissatisfaction. Lacking concerted efforts to achieve any goals at all, the group will have no synergy and will become a low performing, ineffective group.

## Decision-Making Processes

Decision-making is important for successful task performance in any organisational system and effective decisions will be made only under the conditions discussed earlier in the section on group decision making processes. Leadership abilities, task attributes, status issues, group members' characteristics and the group decision making process itself, are all important determinants of whether the manager will resort to individual or group decision making. The decision making style and process in turn influence how the decisions that are made are accepted and implemented. These factors, then, determine how effectively tasks are performed and member satisfaction and commitment to the group are obtained.

The foregoing discussions make it clear that the inputs have an impact on both the throughputs and the outputs, and that the throughputs are both a function of the inputs and integral to the outputs. An important throughput or transformation process which leads to group effectiveness is the task and maintenance functions performed by group members which have a direct impact on the group's effectiveness. These will be now discussed in some detail.

## Task and Maintenance Functions and Roles of Group Members

Task and maintenance activities form an integral part of the group processes and serve the twin purposes of successful task performance and effective group maintenance, thus contributing to group effectiveness (Bales, 1950, 1958). Task functions refer to the activities that need to be attended to so that the job is effectively done. Task functions include such activities as initiating ideas, seeking opinions, providing information, clarifying problems, and summarising the discussions of the group. Maintenance functions refer to activities that are necessary to be taken care of so that the group's social relationships, cohesion and satisfaction are maintained. The task and maintenance functions are performed by members in the group and the roles played by them are briefly discussed below.

## Task Roles

In effective groups, at least six task roles are undertaken by group members as they work towards the group goals. They are the roles of idea initiator, information seeker, information provider, problem clarifier, summariser, and consensus taker.



**Idea Initiator** The group member proposes the tasks and goals for the group, identifies the problems that need to be solved, and also suggests procedures for solving the problems.

**Information Seeker** The member requests, seeks, and gathers the information necessary to proceed with the tasks at hand. The individual attempts to clarify issues, check for factual accuracy, and seeks expression of opinions and concerns by all members to ensure that every one in the group participates and different viewpoints are expressed in the group to avoid groupthink.

**Information Provider** The member provides information to the group about the problem, gives ideas, and proposes several alternatives for problem solution.

**Problem Clarifier** The member provides clarification when confusion arises, defines terms, interprets ideas, and gets the group on track whenever it strays away from the main points and issues under discussion. The individual also attempts to coordinate the activities of members in this process.

**Summariser** The member pulls together all the ideas discussed by group members and offers a conclusion for the group to consider. Summarising the ideas at the end of the discussions helps the group to concentrate on vital issues and focus on problem solving.

**Consensus Tester** The member asks questions of the group to see if all members are thinking on the same lines as a decision is being reached. Thus, the member tests whether or not a consensus is near at hand.

One or more members may play these roles in the group. In groups where status differences are minimal, these roles are likely to be played by different members at different times depending on the issues being considered and the expertise of group members. In some groups the roles may be firmly established among the high-status group members only.

Thus, the task roles can be performed through different processes operating in the group situation and will influence group effectiveness. When the task roles are performed diligently and effectively, they will have a significant impact on how jobs are handled and performed by group members.

### **Maintenance Roles**

Maintenance activities take care of the socio-emotional side of the group members. At least five major roles are undertaken in ensuring that the maintenance activities are properly performed in the group. The roles played are those of the harmoniser, gate-keeper, supporter, compromiser, and standards monitor.

**Harmoniser** The member reconciles disagreements among group members as and when they arise, reduces tensions in the group, and ensures that the differences among the group members are explored and resolved satisfactorily.

**Gate-Keeper** The member keeps the channels of communication open so that all group members can express their opinions, makes sure that everybody gets a chance to participate, and encourages the sharing of information among group members.

**Supporter or Encourager** The member exudes warmth and friendliness, is enthusiastic and responsive to others' ideas, and acknowledges the contributions made by individual members to the group.

**Compromiser** The member is ready to resolve the conflicts that occur because of his or her ideas differing from those of the others in the group. The compromiser is willing to yield on issues or modify the stance taken so that group cohesion is maintained and further progress is made by the group.

**Standards Monitor** Sets the standard for the quality of the group processes and is vigilant so that they are satisfactorily maintained. By monitoring the quality of the processes taking place in the group, the member ensures that the group members are treated fairly and that group cohesion is maintained.

For groups to be effective, attention must be paid to both the task roles and the maintenance roles. It is possible that some members in the group, at least initially, engage in self-oriented roles described below and hinder the progress of the group. Such members have to be firmly handled so that the group can make progress.

### **Self-Oriented Roles**

**Self-oriented roles** refer to some group members' concerns about their own status and identity in the group, as a consequence of which they would either try to engage in activities that draw attention to themselves,



or be totally uninvolved in any of the group's activities and remain withdrawn and passive. The six major self-centred roles that some group members are likely to engage in, are the following:

**Aggressors**, who antagonize other members by belittling their contributions and irritating them in other ways.

**Blockers**, who are unreasonably resistant to new ideas and take a negative approach to any point being put forth by group members. Such members also tend to bring back dead issues and waste the group's time.

**Recognition Seekers**, who invariably call attention to themselves by frequently boasting, talking about their past personal achievements, and all in all, distract the group without making any meaningful contributions to the group's progress.

**Dominators**, who always try to assert themselves, interrupt others who make suggestions and offer differing viewpoints. Dominators like to monopolise the platform and discourage others from voicing their ideas.

**Avoiders**, who duck issues, remain passive, and do not in any way interact with the group while the problem issues are discussed. These members hinder the group's progress and development since their contributions are nil and the supporter or encourager's time gets wasted in trying to get them involved in the group's decision-making processes.

**Interest Pleaders**, who represent special interest groups such as stockholders, minority groups, and environmentalists, and who consistently keep harping about their own special interests to the detriment of pursuing the group's task at hand.

By discouraging self-oriented role behaviours in the group, and by the group members actively performing the task and maintenance roles discussed earlier, the group will be able to simultaneously achieve high levels of task performance, member satisfaction, morale, and commitment to the group.

## Output

As shown in Figure 9.3, outputs constitute the successful task performance of the group as well as the human resources maintenance in the group. Successful task performance is a function of the task roles performed by group members and the norms of high quality of performance established in the group. A cohesive group which subscribes to the norms of the organisation will perform well.

Member satisfaction and high levels of group morale are maintained through the maintenance functions performed by the group members. Various other group processes such as the establishment of norms and conformance to these, also increase group cohesion and member satisfaction. The results of these processes are reflected in group members' pride and satisfaction in belonging to the group, experiencing a high morale, and members' commitment and loyalty to the group and its goals. Goodwill, cohesiveness and adaptability to its internal changes are the marks of a high morale. In the high morale group, disagreements are not divisive but are sorted out in the group in a healthy fashion without suppressing individuals or letting them become oppressive. High morale is also related to confidence in management.

In summary, group effectiveness is highly influenced by the inputs, and the group processes we have discussed so far. Rensis Likert (1961) highlighted 24 properties and performance characteristics of the ideal effective group, the most important among which are summarized below.

## Properties and Characteristics of Highly Effective Groups

1. Members of the group are skilled in the various leadership and membership roles and functions.
2. Groups have been in existence sufficiently long to have developed effective working relationships.
3. Members and leaders have high confidence and trust in each other and are committed and loyal to the group.
4. Members are highly motivated to abide by the values important to the group, and all interactions, problem solving, and decision-making activities of the group occur in a supportive atmosphere.



5. The group is eager to help each member develop his/her full potential and the leader and members are willing to stretch themselves to accomplish difficult tasks.

6. The leader exerts influence in establishing the tone and atmosphere for work by his/her leadership principles and practices.

7. Creativity is encouraged in the group through a very supportive atmosphere which is oriented more towards "constructive conformity" — a broad acceptance of group goals without stifling the members' creative efforts in attaining the results.

8. Communication flows freely and both information giving and receiving are valued in the group.

9. Group remains flexible and adaptable because of mutual influence processes that operate in the group.

## Stages of Group Development

At what stage of their life do groups become effective? Why is it that some groups are effective and others are not? These questions can be answered, at least partially, by examining the stages that work groups go through as they evolve and grow. There are four stages in a group's development and many groups do not ever reach the fourth stage and hence do not become as effective as those who have reached stage four. The four stages in a group's development are called Forming, Storming, Norming, and Performing (see Heinen and Jacobson, 1976). These stages are described below.

### Forming

The forming stage is when the work group is just formed and members are formally placed together in a work group. At this stage, group members try to comprehend where they stand in the group and how they are being perceived by others in the group. The members are very cautious in their interactions with each other and the relationships among the group members are very superficial. Any decisions made in the group are made by the more vocal members. Members seldom express their feelings in the group and the individual members who are trying to understand who they are in the group have concerns about how they will fit in the group as a permanent group member.

### Storming

Sometime after the formal group is created, intermal sub-groups get developed. Due to the newness of the group, there are limited interactions initially among the members of the group. However, small groups of two or three members interact with each other and make an effort to get to know each other better. Thus sub-groups get formed. Once this sub-grouping process takes place and members begin to feel somewhat more comfortable in the group, they try to establish their positions and test their powers in the bigger group. At this stage, disagreements tend to get expressed among the group members, and feelings of anxiety and resentment are also expressed. Some power struggle may ensue at this stage to determine who should assume the informal leadership role in the group. This storming stage is also known as the sub-grouping and confrontation stage.

### Norming

Norming is the next stage where the disagreements, differences, and power issues which were dominant at the storming stage get worked out. The group sets norms, tries to attain some degree of cohesiveness, understands the goals of the group, starts making good decisions, expresses feelings openly, and makes attempts to resolve problems and attain group effectiveness. This stage is also referred to by some as the individual differentiation stage and by others as the initial integration stage. At this stage in the group's



development the individual members' roles get defined and the task and maintenance roles are assumed by group members. Group members also begin to express satisfaction and confidence about being members of the group.

### Performing

This final performing stage is reached when collaboration among the group members is at its highest. At this stage the group has matured fully. The members are committed to the group goals, have complete trust in each other, and allow honest disagreements to be freely expressed but make sure that the conflicts are satisfactorily resolved as and when they occur. The group evaluates members' performance so that the group members develop and grow. Feelings are expressed at this stage without fear, leadership roles are shared among the members, and the group members' activities are highly co-ordinated. The task and maintenance roles are played very effectively. The task performance levels are high and member satisfaction, pride, and commitment to the group are also high. Both performance and member satisfaction are sustained indefinitely. This stage is also referred to as the collaboration stage by some, and as the final integration stage by others. Since reaching this stage requires a long period of time and member homogeneity in values and goals, very few work groups in organisations reach this final stage.

### Summary

In this chapter we discussed formal and informal groups and the various aspects of group dynamics. We examined decision making processes within groups and how consensus can be facilitated in groups. We analysed group effectiveness taking an open systems approach, examining the inputs, throughputs, and outputs of workgroups. Finally, we discussed the different stages that groups go through. Thus, in this chapter, we concentrated mainly on the dynamics within groups; that is, intra-group dynamics. In the next chapter we will discuss inter-group dynamics, or dynamics between different groups, and how managers can manage groups in organisations.

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### Discussion Questions

1. Apply the concepts of activities, interactions, and sentiments to a group in which you have been a member either in the academic setting or in a work setting and describe the events. Describe for each concept the required and emergent behaviours in that situation.
  2. How are norms and group cohesion related to performance?
  3. How does groupthink influence the relationships in your answer to question 2 above?
  4. Think of one of your class project groups and describe how, and the extent to which, the task and maintenance roles were performed and their impact on group effectiveness.
  5. Describe in some detail how you, as the manager of a work group, would go about increasing group effectiveness.
  6. You have just taken charge as a new manager of an existing work group. What would you do or how would you operate in the group to understand its dynamics and assess its effectiveness?
  7. What kinds of structural changes are possible for a manager to make in order to improve group effectiveness?
  8. It is said that very few groups reach the final stage of development i.e. the performing stage. How would you explain this?
  9. What would you, as the leader of the group, do to ease the entry of a new member to the group?
  10. What is risky shift? Give an example of the operation of the phenomenon in any situation that you are aware of, or have been exposed to.
  11. Describe: 1. the norms in any of your class project groups in which you have been a member, explaining how they have been identified, 2. the extent of cohesion in the group and the reasons therefor, and, 3. the stage of the group's development and the justification for your assessment.
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## A Case Study

### The Rueful Results of Records Room Relocation<sup>1</sup>

The Records Room of the Exchange Control Department of the Renuka Bank is a work unit manned by ten record clerks and the supervisor, Ms. Janaki. Mr. Roy is the manager in charge of the Records Room (RR), a responsibility which is rather insignificant compared to his other duties. The job allocated to the RR is to store the files sent by the various sections as and when customers' applications are "disposed of" and the "case is treated as closed", and retrieving files as and when needed by the sections. Centralising the records maintenance function and having the records at the farthest end of the ground floor of the bank had helped to maintain a pleasant and neat appearance for the customers of the bank and improve customer service since the sections can get the files from the RR without wasting their time searching for these in their section cabinets.

Usually, requests for old files were sent by the sections everyday at 10.00 a.m. and 3.00 p.m. In case of urgent need, the clerks from the sections came personally to request the files which are always made available to them without delay. Ms. Janaki was responsible for the paper work in regard to the movement of the files, and the work was invariably carried out smoothly and efficiently by the RR staff.

The Record Room was spacious, had walls on three sides and a strong steel wire mesh on the fourth side facing the front side of the hall. A door gave access to the front; requests for files and removing and returning of the files were transacted through this door. The east side of the wall had a door which opened to the street of the building, and was always kept bolted from within, unless one of the staff wanted to go out or come in from the street side. Access to the RR was limited, and a messenger boy always stood guard at the front entrance door. Unless he allowed the other messenger boys and clerks with "request challans" to enter, nobody could come in. This tight safeguard was necessary so that people could not come in anytime they wanted and remove the files on their own.

Record cabinets and bureaus were neatly organised in the room and the record clerks had a very systematic and methodical procedure for storing the files and folders received daily. All files returned during the day were shelved temporarily in specially designed cabinets which were placed in line with the steel mesh in such a way that those from outside the RR could not see people sitting inside.

The ten record clerks worked well together and helped each other whenever there was a "flood of requests" for files. At such times, they often decided to stay 30 minutes to an hour late in the evening or came early in the morning to organise the returned files. They took great pride in efficiently servicing the sections during the day without delays. On some days the crew would not have a sufficient amount of work, and they would spend their time chatting, hitting each other with clips and rubber bands, or solving crossword puzzles. Members of the group also had the habit of slipping through the side door, two at a time to have a cup of coffee or eat some snacks in the restaurant across the street which was within three minutes' walking distance. They would invariably ask Ms. Janaki if she wanted anything and would get her some tiffin if she felt hungry. People outside the RR could not see exactly what was going on in the RR, but many envied the group for being happy and friendly and working together in a "nice atmosphere."

In June 1983, the bank acquired IBM computers to speed up its ever expanding operations and reduce the cumbersome and tedious manual record keeping procedures. Since no space was initially planned for the computers, the Premises Department of the bank decided to house the computer facilities in the RR area and move the Record Room to the third floor of the building, where the manager Mr. Roy was also seated. The decision to move was communicated to the RR staff, and the shifting was done during the weekend. On Monday, when the RR crew reported for work, they found that the third floor office was smaller, and rectangular in shape in contrast to the big square room they had on the first floor. This facility also had the steel mesh, but the cupboards were organised all along the three walls, with the mesh side completely open.

<sup>1</sup>The case has been modelled on "The Case of the Changing Cage" by Richards C.E. and Dobyns, H.F. 1957.



The RR was thus completely exposed to the other sections on the floor, and the manager, Mr. Roy, was sitting in an area right outside the RR. Some of the specially designed cabinets previously used for temporarily storing the returned files were retained by the Computer Division for their use, and thus, the RR also ran short of cabinet space. Ms. Janaki tried to get the cabinets returned and stacked against the steel mesh as before, but the director of the Computer Lab "requested" her to put up with the inconvenience till the new almirahs ordered for the Lab were received.

The Record Clerks felt "exposed to the entire world" and felt unhappy that they were no longer able to freely talk to each other, solve crossword puzzles, or operate as before without attracting attention from those sitting outside. To make matters worse, Mr. Roy frequently instructed Janaki to make sure that the returned files were stored neatly and not thrown "all over the place", making the place look untidy and shabby. Her complaints regarding want of cabinets were largely ignored. The custom of the clerks sneaking out for coffee and snacks also ran into trouble. Clerks in other sections who observed the RR crew taking time out for coffee, also started doing the same, much to the chagrin of their managers who complained to Mr. Roy. Mr. Roy told Ms. Janaki in no uncertain terms that she should exercise more control over her staff or run the risk of not being considered for promotion. Thus, the unique privileges the RR group once enjoyed were all now put to an end. Ms. Janaki, who had always got along well with her staff who rendered efficient service to the sections, was now getting nervous, and full of anxiety about her future. Her stress was at its highest when Mr. Roy called her one day and said that he observed her clerks throwing clips at each other and if she was not capable of holding them under control, she should either resign or ask for a transfer.

The RR clerks who were fond of Ms. Janaki and did not want to cause her any trouble, thereafter pretended to be quiet and hardworking whenever they saw Mr. Roy come out of his cabin, and hid all the returned files in a corner where nobody could notice them. They continued to talk, throw clips, and solve crossword puzzles when nobody was observing them. Their latest game was to select the most appropriate nickname for Roy. They referred to him as W<sup>2</sup>: short form for 'Wicked Witch'.

Ms. Janaki just found, to her utter dismay, that about 300 returned files were lying in a hidden corner of the room unattended, and the requisition slips which were hitherto promptly serviced, now lay piling up inside the clerks' desk drawers!

### Analyse the following:

1. What were the required and emergent behaviours of the Records Room group in the old and the new setting? What were the factors influencing the emergent behaviours in both situations? What were the consequences of the emergent behaviours in each case?
2. What were the norms of the group before and after the shift? How did these norms affect group cohesion and performance?
3. Discuss fully the effectiveness of the group before and after the change using the input-throughput-output model discussed in the chapter.
4. If you were Mr. Roy, what would you now do?



# 10

## Intergroup Dynamics and the Management of Groups

Synergy results when the many formal groups who perform specialised activities, coordinate their efforts and work well together to achieve the overall goals of the organisation. That is, the sub-units in the organisation — the different sections, departments and divisions — have to work harmoniously in a coordinated manner to orchestrate and achieve the goals of the organisation. This, unfortunately, does not happen all the time because of : (1) differences in the goals of the sub-units; (2) sub-units experiencing tensions because of sharing limited common resources; (3) some groups being perceived as more powerful than others ; and (4) the nature of task interdependencies. In the first part of this chapter we will discuss the impediments to healthy inter-group dynamics.

### Goal Conflicts

Departments may not get along with each other as cordially as the organisation would like them to, because of differences in each individual department's primary goals and objectives. For example, the production department's goals are usually to produce as many goods at as low a cost as possible. This is enabled by mass production of a standardised product which offers economies of scale. On the other hand, the sales department's goals usually are to satisfy customers by meeting their individual needs and thereby increasing their sales volume. The sales department would desire to achieve its goals by tailoring the company's products to individualised needs. It is evident that the goals and objectives of the two departments are incompatible. Such goal incongruity makes the intergroup dynamics between the members of the two departments conflicting and unpleasant. Such dynamics are not conducive to the effective functioning of the overall organisation and its goal achievement.

### Sharing Common Resources

Groups usually have problems getting along with each other when they have to share limited common resources. For example, a laboratory which has two personal computers may have to be shared by the accounting, finance, marketing, and research and development departments. Establishing priorities for the use of the lab or trying to handle the simultaneous urgent needs of members of three or more departments then becomes difficult. The intergroup dynamics in this case can either be handled effectively by the groups by taking a collaborative problem-solving approach, or the sharing of the common resources can lead to intense conflicts.



## Power Dynamics

Because of the very nature of the tasks performed by certain departments or divisions, members therein find themselves in central roles or positions which gives them power. For instance, members of the group who lobby with the Government to have certain key issues resolved (as for instance, pollution control standards) will enjoy more power compared to several others in other departments, since the results of their lobbying will be significant for the company's future level of profits. Departments which provide services that cannot be had from an alternative source as readily or efficiently, also find themselves in positions of power. In a particular situation, eight computer programmers who managed the entire computerised operations of the accounting, marketing, finance and production departments of a company, threatened to stage a lightening strike when their demand for a special machine allowance which was common to the trade, was turned down. Since nobody else in the firm knew how to program or operate the computers, top management immediately negotiated with the programmers, gave them the allowance, and the strike was averted. Thus, non-substitutable services rendered by groups arm them with power.

The perceived status of the interacting groups also makes a difference in intergroup dynamics. Many factors such as access to resources, expertise of the group members, and contributions made by the group influence the perceived status differences among groups. For example, the night shift crew of an airline company might be accorded higher status than the day shift crew because (1) the former is perceived to have exhibited more problem solving abilities, (2) has greater access to resources, and (3) is provided with residential quarters close to work — a perceived indication that the group is highly valued by top management. In a manufacturing organisation, group X may be held in greater esteem and may enjoy a higher status than group Y because of their consistent high level of performance. Higher status groups are also perceived to be more powerful. The perceived or real imbalances in power among different groups also give rise to interesting intergroup dynamics.

Powerful groups can form themselves into coalitions, and the dominant coalition, that is, the most powerful group, can sway the organisation's critical decisions, making a significant impact on the system's future course of action and direction. An example of this is the formation of coalitions within a College of Business while deciding which courses offered by the different departments can be cut from the programme to conserve resources. A good deal of lobbying will be done for the retention of some departmental courses and the elimination of others; discussions, if any, among the college faculty who form different coalitions would tend to be stormy. Ultimately, the dominant coalition, say, the Management Department faculty, may sway the votes in the final decisions made. This could very well chart a new direction for the College of Business itself.

## Task Interdependencies

When tasks can be done by different departments independently of each other, interactions among the departmental members is purely voluntary and takes place on an informal, non-work related basis. However, when different departments have to discuss, collaborate, and engage in common decision-making activities to get their tasks accomplished, then they are in interdependent relationships (Cheng, 1983). For instance, in the example of the production and sales departments cited under goal conflict, there is an interdependence of goals between the two departments. The sales department is dependent on the production department for making the right type, quality, and design of products required by the customers, so that the goods produced can be sold. The production department, in turn, has to work with the sales department to arrive at a reasonable range of product quality and design that will still keep production costs within limits. Unless the two departments work together in a problem solving mode, neither will achieve the organisation's goals or profits.

Interdependencies are also a function of workflow patterns. *Sequential interdependencies* where materials or work flows from one unit to another in a sequential pattern — that is; the output of one unit becomes the input of the next unit — call for a medium level of interdependency among the units. For example, the purchasing department may procure the raw materials and supply them to the production department. These inputs into the production department are turned into manufactured goods and sent to



the stockroom. These, in turn, are released to the sales department, who in turn sell the goods. Here, the outputs of one department (for example, the finished products of the production department) are the inputs of another (for example, the materials to be stored in the stockroom). Unless the previous department has completed its job (for example, the purchasing department has procured the necessary supplies), the next sequential department (for example, production department) cannot operate. Hence, there is a sequential interdependence. Good planning and communication between the concerned departments are necessary to coordinate their tasks.

*Reciprocal Interdependencies* where two groups mutually depend on each other, dictate that there be a high level of interaction between the groups since there exists a high degree of interdependence between the units. For example, the manufacturing and maintenance departments of a plant are mutually interdependent. The manufacturing department cannot function unless the machines are properly serviced by the maintenance department. The maintenance department will not be able to prioritize its servicing activities unless the production department indicates which of the machines gives them the most trouble, and provide a schedule of times when it will be most useful for the production department to remain idle and let the maintenance crew walk in to do the repair jobs. Constant dialogue, mutual adjustment, and cooperative behaviours, to solve problems as they arise, are necessary for the two groups to function effectively and achieve the overall goals of the organisation.

So long as the different groups or departments recognize and remember that they are all working towards the common goals of the organisation, the intergroup dynamics will be one of co-operation and collaborative problem solving. However, departments usually get caught up in their own narrow spheres of concerns, develop tunnel vision and try to achieve their goals at all costs with the result that intergroup conflicts often arise.

### Consequences of Intergroup Conflict

When conflicts arise between groups because they focus on their own concerns, losing sight of the ultimate goals of the organisation, tensions are experienced by the groups. Soon, the trust level between the groups becomes low and communication problems become serious. This gives rise to antagonism where one group sees the other as its "enemy." The perceptions of the groups get distorted. Each group views itself as "good" and the other as "bad." The groups perceive each other to be in competition, and try to achieve their goals and objectives even at the expense of thwarting the efforts of the other. A "win-lose" posture is taken. Within each group, members become more cohesive in "battling the common enemy". The activities of each group become even more narrowly focused on its own goals. Within groups, members become more willing to accept a single leader and the groups's activities become highly structured and organised (Schermerhorn, Hunt and Osborn, 1985). Both the intra and intergroup dynamics in intergroup conflict situations thus become important to understand.

Needless to say that such dysfunctional intergroup conflicts need to be averted and "managed" whenever they do occur. Managers can deal with both intragroup and intergroup dynamics effectively in different ways. We will discuss them in the rest of this chapter.

### Managing Intergroup Dynamics

There are at least six strategies to manage intergroup dynamics. They are the use of : hierarchy, plans, linking roles, task forces, special integrating mechanisms, and superordinate goals.

*Hierarchy* The activities of two or more units can be integrated through a common superior. The common superior is not only constantly aware of, and keeps in perspective, a higher order of organisational goals than each of the unit directors, but the common superior who is bestowed with more power since he or she is higher up in the hierarchy, can also bring the groups together to highlight the common goals and resolve any differences.



**Plans** Intergroup relations can be improved by highlighting the organisation's plans. Plans, here, indicate the general direction taken by the organisation to reach certain goals. By formalising the plans, the groups know what direction they should be moving in, without day to day disagreements on what needs to be done by each group.

**Linking Roles** By creating positions where certain key individuals interact with interdependent groups, an additional mechanism becomes available in the system to deal with intergroup relationships. Linking roles are especially useful when the exclusive use of hierarchy and plans becomes too slow or time-consuming (Hellriegel, Slocum, and Woodman, 1985). For example, a common superior may not, in certain situations, be able to resolve issues that arise in a timely manner because of work overload. The linking person is able to resolve critical issues as they arise, quickly and effectively. The linking role also serves a special need when specialised expertise in certain areas is needed for groups to solve their mutual problems and understand one another (Miles, 1980). An example of this is an expert, say in the area of labour relations, resolving the differences between a foreman and his workers.

**Task Forces** A task force is a special group, usually appointed by the organisation, which consists of one or more members drawn from each of the interdependent units. This task force works on and resolves issues of mutual concern to the interdependent groups. Since each of the units has one or more representatives on the task force, problematic issues are resolved quickly and satisfactorily. Task forces are usually disbanded when the issue at hand has been resolved by the group.

**Integrating Roles/Groups** The Integrating role is performed either by an individual or a group, appointed on a permanent basis by the organisation, to integrate the tasks or functions of two or more groups. Product managers and project managers are good examples of individuals performing the integrating role on a permanent basis.

**Superordinate Goals** A common goal that transcends the immediate goals pursued by individual groups can be termed a superordinate goal. That is, two or more groups work towards common ends which cannot be achieved by the individual efforts of each of the groups alone (Sherif, 1958). In the goal conflict example between production and sales departments cited earlier, the president of the company might say that he wants 10,000 units of product z to be sold during the next six months and an additional 25,000 within the year. He might then ask the two departments to work out a strategy to produce and sell the required number of units to accomplish this goal. The president might even indicate that if the goal is not attained, the company runs the risk of being taken over. This superordinate or a higher order common goal articulated by the president will force the two departments to put aside their individual differences and jointly develop both production and sales strategies to achieve the common goal for the company.

Reward systems can be developed to motivate interdependent groups to work together to achieve superordinate goals. Profit sharing, gain sharing, and other types of incentives offered to the groups help them to focus their energies in achieving superordinate goals.

In this and the earlier chapter, we have discussed inter and intragroup dynamics. Conflicts between and within groups is a natural phenomenon and, at times, is also useful, as discussed in greater detail in Chapter 12. Differences in groups' goals, task interdependence among groups, and competition for limited resources and rewards, are some of the main reasons that intergroup conflicts occur. The positive outcomes from such conflicts are that the real issues or problems that need to be resolved get clarified and organisational members are enabled to focus on resolving the problematic issues by redesigning dysfunctional structures and/or improving existing mechanisms and processes. Bottlenecks, which otherwise might not have been paid attention to, are thus removed through creative problem solving and the system operates more efficiently. Intergroup conflicts also act as a catharsis to group members who, after having highlighted their concerns, are ready to move on to identifying the solutions if their antagonism, distorted perceptions, and mistrust are handled appropriately by a third party.

In the rest of this chapter, we will discuss some useful ways in which managers can manage groups.



## Making Groups an Organisational Resource

In managing groups, the manager has to use such structures and group processes as would help mesh the needs and expectations of the group members with the organisation's requirements and goals. To put it differently, the manager has to "manage" the task and sentience boundaries, or the required and emergent behaviours of groups, by designing the appropriate structures and using the right group processes. The discussions below relate to the management of both intra and intergroup dynamics.

### Task Structures

Some of the structural efforts that managers can make to enhance group effectiveness are : 1. offer clear role prescriptions and behaviours so that group members understand what is required of them; 2. help members to negotiate the roles among themselves so that the jobs get done with maximum efficiency and group member satisfaction 3. design the workflow such that it facilitates smooth and easy interactions among the members, and 4. organise group meetings and programmes where members periodically discuss work-related matters and offer well-thought out suggestions for improvements at the workplace. Some of the work-design and work improvement structural plans are discussed at the end of this chapter.

### Group Processes

We have already discussed several group processes by which group effectiveness can be enhanced. The manager can play a key role in building positive norms in groups through reinforcements and by providing a good leadership role model.

The manager who understands group dynamics, can sense when group cohesion is functional and it is dysfunctional for attaining the goals of the organisation. The manager, then, has ways of dealing with the situation by either increasing or decreasing group cohesion, as deemed necessary.

Some actions that can be taken by the manager to *increase cohesion* among members within a group are as follows:

1. Induce agreement among members on group goals;
2. Increase the homogeneity of the group members;
3. Increase interactions among the members;
4. Keep the group size small;
5. Introduce competition with other groups, thus creating a common enemy against which the group members will unite;
6. Allocate group-based rewards rather than individual rewards;
7. Physically isolate the group from other groups so that the members have lesser external interactions and more internal interactions among themselves.

The strategies that can be followed to *decrease cohesion* among group members are the opposite of those mentioned above. The specific actions that can be taken to achieve this are:

1. Induce disagreements among members on group goals. This could be done by giving mixed signals, making contradictory statements, etc.;
2. Increase the heterogeneity of the group member composition;
3. Restrict interaction among the members;
4. Increase the size of the group;
5. Allocate individual, rather than group-based rewards, and induce internal competition among the group members;
6. Locate the group close to the other groups in the organisation so that this proximity would encourage intergroup interactions which would curtail the time available for intragroup interactions;
7. Transfer some key members of the group, and introduce a new member who tends to be dominating.

Some strategies that managers can use to *increase* intergroup cooperation are:

1. Increase the interactions between the groups;



2. Encourage frequent and open communication between the groups;
3. Facilitate them to establish common goals and share common responsibilities for problem solving and decision making;
4. Use liaison persons and linking mechanisms to coordinate the activities of the groups;
5. Ensure that the members of the two groups overlap in other groups (task force, committee) so that the interactions among the different group members are increased and members get to know and understand each other better;
6. Quickly resolve conflicts of a substantive nature such as issues of product quality or quantity, resource allocations, and the like;
7. Establish superordinate goals.

Unproductive conflicts in critical areas can be minimised by having coordinators with high legitimate status and a high level of expertise in the functional areas who can maintain a balanced approach to resolving the concerns of various work groups (Lawrence and Lorsch, 1967). Managers can also avoid competitive behaviours by placing emphasis on superordinate goals which appeal to members of highly interacting groups.

### **Teambuilding**

Both intragroup and intergroup effectiveness can be increased through teambuilding, a technique which uses a series of steps to bring the group members together, make them share their perceptions of each other and understand each other's point of view. These efforts help members to resolve their problems and work together in a cooperative and collaborative mode. Team building, and third party peacemaking, as useful intervention strategies to develop greater organisational effectiveness, are discussed more fully in Chapter 15.

Workgroup effectiveness can also be increased through other structural designs, as for instance, creating autonomous work groups and quality circles.

### **Autonomous Work Groups**

The autonomous work group is a concept that helps managers to structure a work setting where the work is managed by a group (or groups) whose members allocate the roles and responsibilities amongst themselves without any manager supervising their activities. These self-managed teams are responsible for the end product and are given complete autonomy, even to the extent that the group members establish individual members' pay and training programmes. Autonomous work groups have been successfully tried in the Volvo Car Assembly Plant in Sweden and to some extent in the American setting. While the advantages include more cooperation among group members, increased member satisfaction and lower rates of absenteeism and turnover, the costs of restructuring the workplace in manufacturing plants to facilitate the operations of the autonomous work groups may be high. This kind of an experiment would also require that the employees are able, capable and willing to assume responsibility for self-management, and the managers have confidence enough in their employees to be willing to entrust the responsibility. It might take a long time before the autonomous work group concept catches up in India in a big way.

### **Quality Circles**

Quality Circle is another concept that is extensively used in Japan and is gaining increasing acceptance in the United States. A quality circle is a group of eight to ten employees who periodically meet during work hours to identify and solve critical problems in work areas where both labour and management feel there is potential for improvement. The immediate supervisor of the work area and a person trained in personnel and industrial relations are also usually present during the meetings which are generally held once a week on company time. The final ideas generated by the group are implemented. Based on current experience in Japan and the U.S.A., quality circles appear to be quite successful as perceived by both management and



labour and are increasingly used in many organisations. The General Motors plant in the U.S.A. for instance, has over 100 quality circles operating in several parts of its car division which have been responsible for saving a few million dollars annually for the company.

Quality circles function continuously, proactively trying to deal with prospective changes in the environment, as well as dealing with the problems as they arise. Communication between line employees and management is substantially improved due to the existence of quality circles. Coordinators and facilitators work closely with the quality circles, and the facilitators develop training programmes for the team leaders and members. Each circle is independent but may choose to meet with other circles. At every meeting the problem to be worked on is identified and members are expected to come up with first hand observations and data, including their analysis of the data gathered. At the next meeting, these are discussed and much brainstorming about problem solving takes place. Members work during company time and often beyond regular work hours. Though no special monetary rewards are given, members derive much satisfaction from solving different types of problems, including production, cost, safety, productivity, morale, and scores of other organisational issues. Participation of the members in the circles is voluntary, while the participation of the leaders may or may not be voluntary. Quality circles are organised by work area. It goes without saying that if India is to contemplate the idea of quality circles, the Japanese model has to be adapted to our cultural values. The success of the Japanese model is due to their highly masculine and collectivistic cultural values. Since we are moderately masculine and individualistic, we have to adapt the concept to fit our cultural norms and values. For a more detailed discussion on Quality Circles, refer to Crocker, Charney and Chiu (1984).

## **Managerial Roles in Groups and Decision-Making Processes**

A manager can play the role of a work group superior leading the group members in the accomplishment of the task goals, or could act as a peer member in a group (as while serving on committees or task forces), or could be managing two or more groups at the same time (as, for example, the Vice-President in charge of Production and Maintenance). Thus the manager plays different roles in different types of groups.

### **A Framework for Managerial Decision Making**

Managers of groups often face the dilemma of whether they should make work-related decisions themselves, or use the group processes. Vroom and Yetton (1973) developed a framework to help managers determine the most appropriate decision making method, but this framework has been criticised by several people as too complex and cumbersome to be of practical use to managers (see for instance, Field, 1979). This objection, however, does not preclude us from making use of the theoretical notion embedded in the model. Vroom and Yetton take into consideration certain attributes of the problem which give an indication of whether the individual, consultative, or group decision method would be most appropriate in a given situation. Such factors as how critical the quality of the decision is for the success of a project, the extent to which the leader possesses the necessary information and expertise to make the quality decision on his or her own, the complexity of the problem itself, the acceptance of the leader's decision by the group, and the extent to which members' cooperation is important and necessary for implementing the decision should all be taken into consideration for determining whether groups should be involved in the decision making or not.

Where time is short, and a group decision is still necessary, a majority vote, rather than a consensus decision making method would be the preferred choice. The leader can resort to individual decision making when: (1) the issues are not complex; (2) the procedures for problem solving are fairly simple; (3) the leader has high influence among the group members, and (4) the time for making the decision is extremely limited.

Thus, decision-making method should be guided by the level of complexities of the issues involved, the situational factors, and the manager's own level of skills, abilities and expertise, both technical and interpersonal. It is useful for the manager to be knowledgeable about, and be aware of the dynamics of group decision processes so that he or she can carefully weigh the consequences of individual, consultative, and group decision-making processes.



## Committees

One of the ways in which major decisions are made in organisations is through the use of committees. Committees are groups of people formally entrusted with the job of either helping to make or actually making some significant decisions. Thus, committees can function in a service, advisory, or decision making capacity. Committees are known by various names. They are called teams, commissions, boards, and task forces. Adhoc committees and task forces are groups appointed to deal with particular situations and then disbanded, while permanent committees exist to take care of the continuing issues. Examples of permanent committees are the budget committee, the executive committee, the board of directors and several types of permanent coordinating committees.

Committees are advantageous when the combined and integrated judgement from an overarching perspective for significant organisational decisions to be made becomes important. Committees also help to reduce conflicts among departments since the committee members from the various departments become fully aware of the problems and prospects of each, and become more empathic towards each other. However, committees take a long time to reach decisions, and in the process of making various concessions to accommodate the different interest groups, certain issues may be considerably watered down. When deftly handled, committees could be significant assets to organisations.

## Summary

In this chapter we examined intergroup dynamics and the causes and consequences of intergroup conflicts. Strategies for managing intergroup conflicts were then discussed. The structural and process changes that help groups to function effectively were explored. When managers understand the emergent behaviours within and between groups, they have a better handle on managing group dynamics and can successfully achieve the goals of the organisation. Different types of groups such as the autonomous work group and quality circles were examined. Managerial decision making through use of groups, such as committees was also discussed. By providing the necessary supportive environment to the group, motivating the group members through the right group processes and task structures, and by being an exemplary role model, the manager can provide a good quality of life in the work setting and promote effective intra and intergroups dynamics in the organisational system.

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## Discussion Questions

1. Discuss the reasons for intergroup conflicts. Based on any organisation you are familiar with (including the educational setting), discuss the intergroup dynamics that exist and explain the reasons for what you find in the situation.
  2. Discuss giving examples, the kinds of task interdependencies that exist in class group projects.
  3. Discuss the strategies available to manage intergroup coordination effectively in hierarchical and flat structures.
  4. The proprietor of a medium-sized multi-operations company in Poona is disappointed with the attitudes of groups in the sub-units in the plant and the utter lack of coordination among their activities. If there was better understanding among the units as to how their efforts fit into the whole organisation's functioning, duplication of efforts and delays would be avoided. All the memos sent out to explain matters seem to be of no use. What would you recommend to the proprietor in this situation so that the sub-units can work together in a more coordinated fashion?
  5. In the above plant, if there were problems within the production department itself, how should the proprietor handle the situation?
  6. How would you go about the process of setting quality circles in organisations?
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## Exercise

### The Golden Technology Group<sup>1</sup> Part 1

The Golden Technology Group, a sub unit of the computer systems design department, consisted of 15 Ph. Ds. who were studying appropriateness of certain microcomputer chips for different kinds of computers designed and assembled in the department. The computer systems design department was itself a part of the huge Ramesh Avant-Garde Computers Co in Trichy. The computer systems design department was set up to design personal and micro computers for home and office use and mainframe computers for organisational installation. This department worked closely with the assembling, marketing, sales and finance departments of the company. The Golden Technology Group (GTG), which primarily researched the actual chips and their cost effectiveness in various programme design, got its nickname because the President, Mr. Ramesh, once mentioned in a staff meeting that he expected this technology group to be inventive and shower "gold" into the company's coffers.

The computer systems design department employed about 250 technical people. It had a well-defined and well-organised structure with formal channels of information and communication flow. The managers and supervisors in the department usually held doctoral degrees in their areas of speciality. They also maintained fairly tight control over the departmental activities. The department was highly respected in the company and all employees working in the research unit were somewhat status conscious.

Rules and regulations as to what employees could or could not do were defined by top management. Starting and quitting time, and lunch breaks, were clearly specified and closely followed. In the design department, if employees worked late, it was considered to be a sign of inefficiency. People worked diligently and silently during work hours and left at closing time.

Dr. Suresh Mehta was the newly appointed director of the GTG. He was an energetic individual under 35 years of age. Mehta had previously worked at a computer research facility where he was considered a "Theory Y manager" who believed in the abilities of his people and gave them the freedom to achieve results in their own way without his interference. Ramesh, the president of Ramesh Avant-Garde Computers was very impressed with Mehta's credentials and achievements and lured him to join his company.

Soon after he joined, Mehta divided his group into three informal sub-sections. The demand analysis section worked closely with the other departments of the company, responding to their concerns regarding special materials, production difficulties, and techniques for handling new designs. The experimental section, interacted extensively with the demand analysis section and conducted experiments to evaluate the new designs as to how they addressed the needs of the production and other departments. The data section worked with both the demand analysis and experimental sections and dealt with complex programming, data reduction, and so on. Because of the expanded laboratory facilities, the GTG was housed in a building separate from the computers systems design department.

The average age of employees in the GTG was around 33, and most had an advanced degree. Many had a good knowledge of the whole organisation since they had worked in the other units from where they were drawn to the GTG. Mr. Mehta changed quite a few things soon after he took over. For one, he felt that the place was "too quiet". He wanted the people in the department to interact with each other and exchange ideas. As regards individual responsibility, he told his people, "When I assign a job to you, I don't expect to talk about it till you have completed it. I want this unit to function as autonomously as possible. Forget all red tape and go ahead and do whatever you need to do to get the job done. I will answer to management if they consider that something you did required their prior approval."

Mehta also indicated to his group that he did not care when people came or when they left so long as the projects got completed on time. People in GTG actually came and left whenever they chose and also took their own lunch time. Sometimes, lights were seen past 12.00 midnight in the building! One thing that Dr. Mehta was keen about was that members disseminate all their findings to other departments and he

<sup>1</sup>Based on the Thermophysics Research Group Case.



encouraged individuals to put their names above his while distributing memos or letters that detailed the findings.

### **Predictions**

Based on the above case, make predictions regarding the following issues:

1. Will the quality of work produced by the GTG group under Dr. Mehta be high, medium, or low? Give reasons for your answer.
2. Will the quantity of work be now high, medium, or low? Give reasons for your answer.
3. Will the level of social activity be a great deal, moderate, or very little in the GTG? Why?
4. Will relations between the members of GTG and the other units of the computer systems design department be cordial, neutral, or strained? Explain your answer.
5. Will relations among the GTG members and the rest of the company be fragmented, in sub-group units, or free-flowing? Explain the reasons for your answer.
6. Will relations between members of the GTG and higher management be cordial, neutral, or strained?
7. Will individual satisfaction among members of GTG be high, medium or low? Why?
8. Will opportunities for professional development in GTG be high, medium, or low? Why?

First, respond to the above questions individually and then get into your groups and discuss the issues for about 15 minutes to reach consensus.

### **Part 2**

The GTG became well known within the company for the quality of information produced, the rapidity of response to requests for help or clarification, and for its many research monographs. The GTG employees also became well known and highly talked about for their activities and behaviours. The demand analysis, data, and experimental sections were famous for their "jokes at each other." A number of people would gather in the lab amidst operating equipment for story telling and friendly banter. It was not unusual to find people from other departments joining these activities in the lab.

The entire GTG lunched together outside, once every two or three weeks; any excuse such as birthdays, anniversaries, and celebrating "discoveries" was sufficient for the group to lunch out in the nearby restaurant or have coffee in the corner shop. Weekend parties or picnics were also popular with the group. Frequently, people from other departments also joined the picnics and brought along their families as well.

The GTG members put in a lot of work and many came around 6.00 p.m. and worked till early morning 1.00 or 2.00 a.m. Dr. Mehta's superior sometimes asked Mehta why his group was so loud and how he could tolerate so much noise and bantering. He once even said that Mehta's "Theory Y", management will land him in a lot of trouble and pain, sooner or later. He advised Mehta to organise and control his group. Dr. Mehta's usual reply during such conversations was, "Look at my group's productivity and compare it with the others." This invariably ended the conversation.



## A Case Study

### The Sad Saga of the Sastri Hall Hostel Kitchen<sup>1</sup>

The Sastri Hall Hostel was built 30 years ago to house 40 engineering students and provide them food service. At that time, the kitchen for the hostel had 8 cooks, 4 maids, and one senior engineering student who was assigned to help with the accounting and cash transactions. Four cooks worked from 5.00 a.m. till 1.30 p.m. and the other four worked from 1.30 p.m. to 10.00 p.m. Every morning and evening, two maids helped clean up the tables after the students had eaten, and washed the utensils. Anand and Bhima were the headcooks for the morning and evening shifts, respectively. They prepared the sweet dish (dessert) and assigned the work to the other cooks according to the menus. Each cook was entrusted with a speciality, such as preparing breakfast (or evening tiffin), making the vegetarian dishes, cooking the nonvegetarian menus, and the like.

Each cook estimated his own requirements of provisions and other requisites to prepare the breakfast, tiffin, vegetarian and other nonvegetarian menus, and the headcook estimated the needs for the sweets preparations, coffee, tea, milk and other requirements to serve the students. Each individual cook identified the cheapest source for procuring the needs for the hostel kitchen, a process that not only saved money for the hostel but also helped the friends of the cooks sell their products in bulk. About 80 percent of the savings, i.e., the difference between the open market price and the supplies procured at the cheaper bulk price, was later passed on to the cooks as 'Diwali Bonus'. This provided added incentive and enthusiasm to the cooks to search for the cheapest possible sources and suppliers.

Because of the relatively small number of people served, the cooks were not under any pressure and took great pleasure in serving "tasty" food to the students. The cooks in both shifts were all in their mid to late 50s, and they worked well together. In each shift, the members conversed freely, took turns serving meals, and all of them ate together after the students were served.

The working conditions were less than ideal, with five ceiling fans in the dining hall and none in the kitchen. The cooks sweated a lot during the long summer months with the heat of the blazing firewood almost melting them. Though they were constantly wiping their face and neck with towels, they hardly ever complained. The headcook pretty much left the other cooks to organise their work in their own way, and seldom interfered with what they did, since they always cooked good food which was prepared on time. If one of the cooks fell ill, or could not come to work for some other reason (such as a function in the family, marriage, death, etc.), the others, including the head cook, took on the additional work and the meals were always ready on time despite the shortage of one cook. During those rare occasions when a cook did not have his part of the menu prepared on time, or a dish was prepared with too much or too little salt, the others reprimanded him overtly and sharply, but no ill-feelings were harboured by any after the incident. Such episodes were common to both the morning and evening shifts.

In 1981, the Sastri Hall hostel had to be considerably enlarged due to the large enrollment of engineering students over the years. The stop-gap arrangements of housing students in various places could not go on for ever, and a new enlarged facility was completed in 1983 with facilities for 450 men and women, which included not only living space, but a huge recreation hall, a library, a swimming pool, a nice garden, and two badminton and tennis courts. The new kitchen was very big and the facilities included big electric ovens, gas stoves, refrigerators, freezers for the meat products and big platforms on which to cut the vegetables, store the cooked food, and the utensils, etc. Above all the kitchen was also installed with ceiling and pedestal fans so that the cooks would not suffer from the heat.

Due to the increased volume of preparations and service, additional cooks, servers, errand boys, and maids were hired. All the old cooks were put together in the morning shift, along with a newly hired cook. Nine more cooks who were newly hired, were assigned to the evening shift. The newly hired servers,

<sup>1</sup>The case, though significantly modified, is patterned on the lines of the Uris Hall Dormitory Kitchen in Schermerhorn, J.R., Hunt, J.G., and Osborn, R.N.'s book *Managing Organizational Behaviour*, 1982.



cleaning boys, and maids were equally distributed among the two shifts to help the cooks and keep the facility clean. A supervisor, Mr. Bhoja was recruited to head the entire operation of the kitchen. Bhoja had a number of years of experience in managing restaurants and other large food service canteens and had recently come to the city to be close to his ailing mother. Bhoja took charge of planning all menus, buying all the provisions and other requirements from the wholesale market in bulk, and assigning work to the staff. He had the entire authority and responsibility for the kitchen operations except hiring and firing people, which was done by the hostel's chief warden and director. The work of the cooks was still assigned on a functional basis (breakfast, vegetarian, non-vegetarian, sweets, savouries, etc.), but now, there were several cooks assigned to each speciality. The time schedule for the morning crew was moved ahead by an hour, and the morning crew worked from 4.00 a.m. to 1.00 p.m. and the evening crew worked from 1.00 to 10.30 p.m. The evening crew had to work an extra 30 minutes so that all groceries and utensils were back in their place to enable the morning crew to start work immediately to get the breakfast ready by 6.30 a.m. A headcook was also chosen in each of the two shifts to ensure that things were done properly during the times when the supervisor was not present.

The morning cooks who were not used to preparing such large quantities of food, sometimes failed to prepare meals which were as tasty as they used to be. At such times, they blamed the supervisor for not buying good quality ingredients and in the right quantities. They made their sentiments known by constantly grumbling in the hearing of the supervisor, and at one time even told him that the supplies he was getting were a waste of money. A second complaint of the morning crew related to the new cook who was recently hired. They said that the new cook was too loud, constantly sang the latest film songs at the top of his voice, and when he was not singing, kept himself busy extolling his own expertise and abilities and advising the other cooks how to do their jobs better. There were constant arguments and fights between the new cook, Krishna and the members of the old crew. A third complaint of the morning crew was that the evening shift crew had an easy time because all they did was to mix all the leftovers of the morning's food, add some fresh "masala" and squeeze some lime juice and lo and behold, a major part of their work was done! They also stated that they had heard through the grapevine that the evening crew members took turns in leaving early to go to the movies. Finally, they grumbled and had arguments with the supervisor that the two cleaning boys who were supposed to take away the plates and clean the tables after each batch of students finished eating, were too slow and wasted time. Because of this, the cooks felt they were often forced to clean some of the tables in order for the waiting fresh batch of students to be seated and served. The cooks complained that cleaning the tables was not their job and they threatened to quit if the cleaning boys were not reprimanded and asked to "shape up." While investigating the matter, the supervisor found that the cleaning boys were not slow or wasting their time; they just had too much to do within a short period of time.

The evening crew was also experiencing several problems. First was the problem of the new employees adjusting to the schedule and the work. The evening crew also resented the fact that they had to work 30 minutes longer than the morning crew, and felt they were being taken advantage of because they were all new. The most serious problem, however, involved the evening headcook, Mr. Rama, who was much younger than the others and also had a bachelor's degree in economics. Rama had been searching high and low for a job for the past year and felt he had to take any job that came his way since he needed money to support his family and keep his wife and children alive. Rama was very mature in his views, had positive attitudes and a pleasing personality, and was very capable. What was surprising was the fact that he also turned out to be a very good cook in a short period of time. When Rama was hired, he was rather apprehensive about how well he would fit into the group who were all older and had very little education. He was nervous that they would give him a "hard time" when they came to know that he had a college degree. He mentioned these concerns to the hostel director during his interview, and though the director himself was not sure how the whole thing would work out, he was inclined to help this educated unemployed man who seemed to have a healthy attitude towards life. Hoping to find Rama a clerical job in the college later, he offered him the head cook's job. As expected, the other cooks strongly resented him being their head cook and nicknamed him the "Brahaspathi", "Young Professor", "Vidwan", etc. Their resentment and displeasure manifested in their tardiness, delays in menu preparations, and frequent badly cooked meals.



Things come to a climax when Rama one day inadvertently spilled the coffee seeds on the floor while transferring them from the gunny bag to the storage bin and asked the cook stranding nearby to help him pick them up. The cook immediately walked up to the supervisor's office and said he wanted to quit if he was going to be "ordered about", to do such jobs!

When the morning crew members heard about what had happened to the evening crew, they all agreed to meet that evening in the municipal park to draw up a "list of their grievances and demands", which, if not considered by the supervisor and the hostel director would be grounds enough for them to go on strike.

Analyse the above case, identifying and clearly stating the:

1. Problem/s
2. Causes of the problem/s
3. Alternative solutions to the problem/s
4. The best solution and its implementation
5. Justification for your solution

Note: Cite appropriate concepts and theories wherever necessary while identifying the causes, generating alternative solutions, coming up with the best solution, and justifying your point of view.



## **PART FOUR**

# **Managerial Processes**



PART FOUR

Managerial Processes



# 11

## Leadership and Managerial Effectiveness

“Leadership” is a word that conjures up different images in different people. To some, it means charisma; to others, it means power. We can define leadership as the process of influencing others to accomplish certain predetermined goals.

One of the main roles played by managers in organizations is to get employees involved in activities that are of vital importance to the organization's success. Leaders must create the climate and conditions which will steer the subordinates' efforts towards attaining the organisation's goals and objectives. In other words, managers and supervisors who are in charge of getting the job done must exercise leadership.

### Leadership as an Influence Process

Leadership can then be considered as the process of influencing others to get the job done effectively over a sustained period of time. Leaders play a critical role in influencing the work behaviour of others in the system. The term influence is a nebulous concept. However, influence can be defined as the process of affecting the potential behaviour of others. If, for example, a subordinate wants to go home at the end of the workday and the superior persuades him to stay and work overtime, the superior has had an impact on the (potential) behaviour of the subordinate. That is, he has made the subordinate act in a way that the latter was not quite ready to do on his own. Here, the superior has influenced the behaviour of the individual. Likewise, a manager can also influence a superior to allocate more resources for her department. Thus, leadership is a process of influence which transforms the potential behaviour of people within the system.

### Three Types of Influence patterns

There are three processes by which people can be influenced—compliance, identification, and internalization (Kelman, 1958), or some combinations of these.

*Compliance* occurs when people are influenced to do something against their will because they have been coerced into doing it. In other words, people may obey because the costs or consequences of not doing so may be too high: as, for example, having their increments stopped, or receiving a bad report which might jeopardize their future career in the organisation. In most authoritarian organizations, superiors influence subordinates through the process of coercion which often elicits reluctant and half-hearted compliance. As one would expect, compliant behaviours get easily extinguished when the leader is not in the vicinity. Take for instance, the worker who at least pretends to work hard so long as a hard-driving supervisor is watching over him, but quits working and starts gossiping and wasting his and other people's time once the supervisor is out of sight.

*Identification* occurs when people do things that the leader wants them to do because they like him or her and want to put forth the effort to accomplish the things that the leader would like them to do. This could happen either because the leader is attractive, or likable, or acts as a role model, or has some qualities that are valued and admired by others in the organization. Such a leader has charisma and people voluntarily behave in functional ways when they identify themselves with the individual. However, the functional



behaviours may not continue if the leader is transferred, or is on vacation since the person they identify with has been removed from their presence and there is no self-directed motivation in them to act independently of the leader.

*Internalization* occurs when followers are convinced that acting in particular ways as directed by the leader, is in their own best interests. For instance, an employee may be reluctant to leave his family to attend a three-month training course away from the home base. However, the manager might persuade the member to go for the training by convincing the prospective trainee that he would stand to benefit thereby. The leader might point out that the short-term sacrifice on the employee's part will be worth it because the training is likely to help the career advancement of the employee for the next several years. In such cases, having realized that the course of action suggested by the leader is for their own good and in their own best interests, the followers trust their leader's judgment and follow his or her wishes. Having internalized the values or opinions of the leader because of their high trust in the individual's judgement and expertise, or the logic and trustworthiness of the source, the employees willingly do whatever needs to be done. Convinced that it is in their best interests to act as directed, they become self-motivated and hence do not require the presence of the leader to engage in functional behaviours to get things accomplished. The desired behaviours are also sustained over time because the employees have internalized the values.

### **Distinctions Between Influence, Power and Authority**

Often, the terms influence, power and authority are treated as synonymous. Understanding the differences among these concepts will help managers to identify their own leadership patterns and enhance their managerial effectiveness.

*Influence*, as we have seen, is the process of affecting potential behaviour, *power* is the capacity to exert influence, and *authority* is the right to command because of the position held by the individual in the system.

*Power* can be thought of as the force or ability to make desired things happen in organizations. The word "power" is often, unfortunately, understood in negative terms and perceived as indulging in a set of sneaky and manipulative tactics to hurt others or further one's own interests. Such need not be the connotation attached to the term, especially when we recognize that nothing can ever get accomplished in organizations if individuals do not have the capacity to exert influence on others in order to accomplish the tasks at hand. Unfortunately, some do misuse power to pursue their own selfish interests. As McClelland (1975) pointed out, power has two faces: the positive and the negative.

*Authority* or the right to command, is bestowed by the organisation on certain individuals because of the position they hold and the responsibilities they are entrusted with in the system. That is, in order to get the job done, individuals in higher positions are empowered to exercise authority in a legitimate way. For instance, the Head of the Department has the necessary authority to exercise his or her powers to get the job done by the departmental staff. It must be recognised, however, that even though a person may be bestowed legitimate authority, the individuals may not exercise it.

### **Sources of Power**

Why would the person who has the authority to exercise power be unable to do so? It is because the individuals may not have the inner force or strength or capability to exercise power. According to French and Raven (1959), individuals have five different social bases of power depending upon how they position their relationship with others. They are reward power, coercive power, legitimate power, referent power, and expert power. The first three types of power can be exercised because of the position in which one finds oneself in the organisation and can be referred to as *position power* and the last two can be attributed more to the characteristics of the individual and referred to as *personal power*.

#### **Position Power**

Because of the office or position one holds in the organization, one can exercise power through legitimate authority bestowed by the organisation or by rewarding individuals or punishing subordinates if they do not



behave in desired ways. These are called legitimate power and coercive power respectively, and are explained below.

**Legitimate Power** stems from the belief that the superior has the right to command the subordinate and expect that his or her orders will be obeyed. Having internalized the cultural norm that the boss can command and the subordinates should obey, employees in organizations accept the rights of persons holding higher offices to command because of the legitimate authority bestowed on the individuals by the organization. Evidently, this source of power to influence others is derived from the position one holds in the organization.

**Reward Power** is power exercised on the basis of one's ability to reward others in the system. The greater the rewards that the leader is perceived as having within his or her control to dispense to others, the greater will be the individual's ability to influence others through reward power. Rewards dispensed could be both extrinsic and intrinsic in nature and would include money, status advancement, recognition, paying compliments, giving subordinates greater responsibility, enriching their jobs, and so on. How successfully the leader is able to access the tangible rewards available in the organization and dispense them appropriately (instead of merely making promises) depends upon the skills and abilities of the leader. The power to dispense rewards, needless to say, is greater as one goes up the hierarchical ladder.

**Coercive power** Coercive power can be described as power which is exercised to manipulate the behaviour of another by threatening to withhold desired rewards or punish the individual if the latter fails to comply with the wishes of the leader. In order to avoid the negative consequences, the individual will unwillingly obey the orders of the superior and perhaps bear a grudge towards the boss. The presence of unions in organisations, however, will restrict or weaken this power base.

The bases for the above three types of power stem from the position the individual holds in the organisation and hence is called position power.

### **Personal Power**

There are other types of power that can be exercised by individuals, which are derived from certain inherent qualities or characteristics in the individual, independent of the office held in the organization. This type of power is called personal power. Personal power stems from referent power and expert power, as described below.

**Referent Power** Referent power stems from the fact that the follower identifies with the leader, and in an effort to please the individual would act in ways desired by the leader. Thus, referent power refers to one's ability to control another's behaviour because the latter wants to identify with the leader or the power source. When a subordinate is willing to work overtime without even being paid for it because he has an intense desire to please the leader, the dynamics of referent power are in operation.

**Expert Power** comes from an individual's ability to direct another's behaviour because of special knowledge or expertise that one person may be perceived to possess which the others need and look for. An experienced foreman will be able to influence his workers to do things in a particular way because the worker will look up to the foreman as someone who possesses the knowledge, experience, and judgement that the junior worker lacks.

French and Raven (1959) make a distinction between expert power and *information power*. They describe information power as the influence that an individual exercises over another mainly because he or she has been able to logically convince another on the basis of coherent arguments or "self-evident facts." They state that expert power is based on the credibility accorded to the leader for his expertise whereas informational influence is based on the characteristics (logic) of the stimulus.

We can associate the different types of influence patterns—compliance, identification, and internalization—with the five sources of power, and hypothesize the consequences of each type of influence mechanism. Reward and coercive power will both lead to *compliance*. The former would result in satisfaction for the person who complies if rewards are dispensed, and the latter will result in dissatisfaction



(i.e., if coercion is used). Referent power will lead to *identification* with the source of influence and both parties are likely to experience satisfaction. However, the desired behaviours will occur only so long as the leader with whom the individual identifies is present in the situation. Expert and legitimate power, on the other hand, help individuals to *internalize* the desired values. The behaviours of individuals will then be sustained even when the leader is not present in the setting.

### Acquiring Power By Enhancing the Organisations's Position

More recently, Pfeffer (1977), and Pfeffer and Salancik (1977) have explained that a primary source of power for an individual or a group comes from the ability to enhance the organization's position in relation to its "environment" by resolving key problems and critical issues. That is, power is acquired by those who can help the organization to overcome its major hurdles and continue to make progress. This will be particularly true in situations where organizations flounder because they face environmental uncertainty, such as not knowing when import quotas will be lifted, or the shortage of materials will end. Some key individual or individuals might be able to resolve the problematic issues through precise mathematical models (or through other mechanisms) and come up with appropriate responses to tackle the uncertainty. If they are effective in handling the situation, they acquire power by enhancing the organisation's position.

### Consequences of possessing or Not Possessing power

Irrespective of the source of power, people to whom power is attributed benefit in a number of ways. They are communicated with more often, they are shown a lot of respect, and they are treated with solicitude (Berelson and Steiner, 1964). Because of these, the self-esteem of the powerful individuals increases and they tend to interact and identify more with people who have high power than those who have low power. This tends to differentiate and generate a gap between those who are high in power and those who have very low power. This phenomenon helps us to understand why a senior worker who is promoted as a foreman is usually not perceived as "friendly" by his ex-colleagues and quickly becomes a member of the "outgroup."

Since power is necessary to make things happen in organizations, when a manager has too little power, the individual becomes ineffective. Without the necessary resources, information, knowledge, expertise, or support from the top, the person becomes little respected by subordinates and they tend to disregard the individual. As a result, in order to feel important, the manager is likely to try to overcontrol the subordinates, become a petty tyrant and tend to become extremely rules-oriented (Kanter, 1977). Hence, managers who feel powerless behave in dysfunctional ways and cause the system to become ineffective.

### Authority and the Zone of Indifference

Most managers tend to influence others through their legitimate authority, that is, by virtue of the power bestowed on them by the organisation. So long as the authority is exercised within the bounds of the employees' realm of what they consider as acceptable and work-related, the subordinates will allow themselves to be influenced by the authority of the superior and obey the individual. However, if they perceive the superior as exercising authority which exceeds the perceived legitimate limits, the superior risks the nonacceptance of his or her authority by the subordinates. Chester Bernard (1938) refers to these limits as the *zone of indifference*. That is, up to a point, the employee is indifferent to being influenced by the boss, but beyond that point of indifference, the employee will resist and not acknowledge the authority of the superior.

This can be illustrated by an example. Let us say that a supervisor asks an employee to come to work half an hour earlier in the morning for a day or two, the employee may have no problem acceding to this request and would be indifferent to the extra demands made on him by the supervisor. However, if the supervisor expects this individual to do so every day for the next three months without compensating the person for the additional time put in, the subordinate would in all probability, refuse to comply with the supervisor's demand since the latter has now clearly gone beyond his limits of authority, as perceived by



the subordinate. In other words, the range of authoritative request to which the subordinate is willing to respond without subjecting the superior's directive to critical evaluation or judgement has now been exceeded. In effect, the superior has clearly tried to exercise his authority beyond the employee's zone of indifference. The employee may now even take the matter up to the Union! Thus, the employees' acceptance of the superior's authority is critical for legitimate authority to be effective to attain the goals of the organization.

### Acceptance of Authority

If their authority is to be accepted, managers in organisations have to make sure that the principles below are followed when orders are issued by them (Bernard, 1938).

1. The directives are issued in a manner such as to be clearly understood by the employees. That is, the directives should not be vague or incomprehensible to the persons who are expected to carry out the orders.
2. Not only should the directives be clearly understood, but in addition, they should also be capable of being carried out without any great hurdles. In other words, the necessary resources and expertise should be available to the employee if the directives are to be carried out.
3. The directives should be perceived to be issued in the best interests of the organization. To put it differently, employees should not perceive the directives to be self-serving to the leader or detrimental to a select group of people who are unnecessarily being persecuted or penalised.
4. The directive should be consistent with the personal values of the members of the organisation. For instance, if an employee is asked to spy on a competitor, this may not be consistent with the personal values of the individual and hence the orders may not be carried out. Understanding when people will or will not obey orders enhances a manager's ability to effectively communicate with employees while trying to influence them through legitimate authority. Managers also need to draw on the various sources of power while dealing with people in different situations. Since managers have to continually influence their subordinates, peers, and superiors within the organisation, as well as significant others in the external environment such as government agencies, suppliers, and customers, they have to consciously exercise their choices on how to influence different groups of people at various different times. By using a combination of sources of power discussed above, the manager will become more effective.

### Increasing One's Position Power

Whetten and Cameron (1984) suggest that managers can increase their position power by attaining greater centrality, criticality, flexibility, visibility, and relevance in their managerial position. By taking on a more central role in the organization, expanding the network of contacts, and having information filtered through one's office, a manager can become central and critical to the organization. Flexibility and visibility can be built into the position by taking on innovative roles, initiating new ideas, and seeking opportunities to become recognized. By increasing the contacts with other units, becoming involved in important decisions made by people at the top, and interfacing with the external environment, the manager can enhance the relevance of his or her position in the organization in a very substantial way.

McClelland (1975) makes a distinction between two types of power that can be exercised by managers—

1. power exercised for personal gains, and
  2. social or institutional power.
- When power is perceived to be exercised by the superior to enhance his or her own personal benefit, gain, or self-advancement, employees are likely to resist being influenced by the boss. However, when a manager exercises power to get the job done in the overall interests of the organization so that the institution as a whole benefits, this exercise of social power will be accepted by the employees.

### Manager and Leader : Are the Terms Synonymous?

All managers are expected to be leaders since they have to make things happen in the organization through the process of influencing others, but not all leaders are managers. Mahatma Gandhi, for instance, has been a magnificent leader of all times, but he will not be thought of as a manager. Leadership is only one of the



many functions performed by the manager such as planning, organizing, staffing, motivating, environmental scanning and attending to the structural needs of the organization. As noted by Mintzberg (1973), managers play at least ten different roles (see Chapter 2), of which leadership is only one, albeit, an important one. So, being a leader is one of the many requisites of a manager and without leadership skills, managers are not likely to be effective.

## Theories of Leadership

Leadership, like motivation, is a topic that is fascinating to people. The intriguing questions frequently asked are: what makes a good leader, can leadership skills be learnt, and what makes a leader tick? We will discuss the traits theories, leader behaviour theories, and contingency theories of leadership, and also mention some of the latest approaches taken by current researchers to the study of leadership.

### Trait Theory of Leadership

The earliest studies in leadership focused on traits that were expected to differentiate leaders from nonleaders. Illustrative traits which researchers attributed to leaders were such aspects as height, weight, physique, good health, high levels of energy, good appearance, intelligence, scholarship, knowledge, good judgment and decision-making, insight, initiative, originality, dominance, persistence, self-confidence, ambition, and so on (Stodgill, 1974). Not only are many of these qualities difficult to measure, but no consistent set of traits emerged from research studies that successfully differentiated leaders from nonleaders. Hence, researchers gave up the study of traits to understand leadership and started to focus their efforts on observing the behaviours of leaders.

### Leader Behaviour Theories

As early as in the late 1930s, Lippitt, White, and Lewin from the Group Research Centre in Iowa, studied the effects of three leadership styles—autocratic, democratic, and *laissez-faire*—on the behaviour of a group of boys. They found that autocratic leadership resulted in either aggressive or apathetic behaviour in followers, *laissez-faire* style resulted in the worst form of aggressive acts, and the democratically led group of boys fell between the two extremes in terms of aggressiveness and apathy. Though not scientifically conducted as an experimental design, this was the first study that concentrated on leadership styles and followers' behaviours and hence a forerunner to other leader behaviour studies. What the Hawthorne studies were to group behaviour research, the Group Research Centre studies can be said to be for the research on leader behaviour studies.

In the late 1940s, researchers redirected their efforts to studying the actual behaviours of leaders, rather than exploring their personality traits. The researchers were also trying to correlate leader behaviour modes to subordinates' performance and satisfaction. Two sets of studies on leadership simultaneously progressed in the United States, one conducted by researchers from the Michigan University and the other by researchers at the Ohio State University. We will discuss them next.

### The Michigan Studies

A group of researchers from the Michigan University Survey Research Center divided leader behaviours into two types—employee-centered and production-centered leader behaviours. Employee-centered leaders are those who are greatly concerned about the welfare and satisfaction of their subordinates while the production-centered leaders placed a stronger emphasis on how well the job gets done, rather than on the subordinates' concerns. Results of the Michigan Study indicated that supervisors who were more employee-centered and exercised loose supervision had employees who were high performing, compared to employees of supervisors who were more production-oriented and supervised their subordinates more closely.



### The Ohio State Leadership Studies

The Ohio State University researchers who conducted similar types of investigation looked at two dimensions of leader behaviour — consideration and initiating structure. Basically these two terms reflect the same leader behaviour orientations as employee-centered and production-centered leader behaviours identified by the Michigan School researchers. That is, a leader who is high in consideration is sensitive to employees' needs and feelings while a leader who is high in initiating structure is primarily concerned about giving workers the necessary task instructions and clarifying the work requirements and agenda. A fundamental difference between the two Schools of researchers is the fact that the Michigan researchers defined production-centered and employee-centered leaders to fall at different ends of the same continuum. That is, a leader is either more employee-centered or more production-centered depending upon where in the continuum the person is. The Ohio researchers, however, looked at the consideration and initiating structure behaviours as two distinct dimensions and not as two extremes on the same continuum. That is, a leader can be high on both, low on both, or high in initiating structure while being low on consideration, or be high on consideration and low on initiating structure. When a leader is high on both initiating structure and consideration, the individual's leadership style was termed "democratic", when a leader is high in consideration but low in initiating structure, the style was termed "human relations oriented", when he was low in both dimensions, the style was called "laissez-faire", and when the leader was high on initiating structure but low on consideration, the style was termed "autocratic." See Figure 11.1.

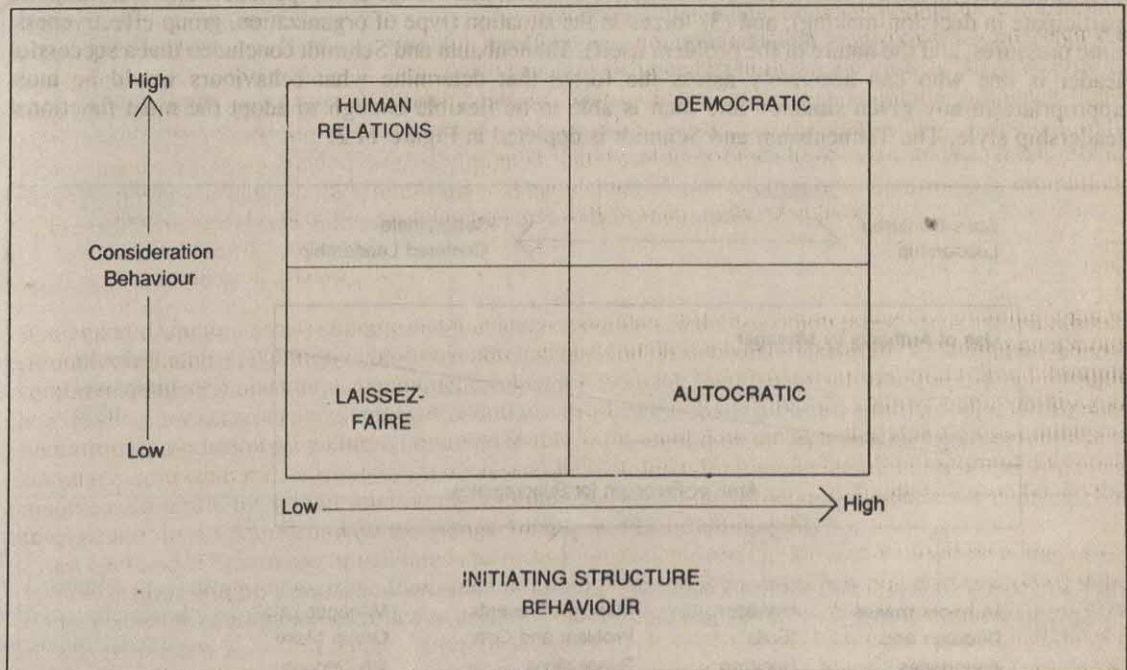


FIG. 11.1 The Four Styles of Leader Behaviour as per the Ohio Researchers.

At first it seemed that leaders high on consideration had better performing and more satisfied subordinates, but later studies however indicated that leaders, to be successful, had to be high on both consideration and initiating structure (exercise a democratic style of leadership). More recent studies, however, have criticised the Leader Behaviour Description Questionnaire (LBDQ) developed by the Ohio School to measure leader behaviours as not sufficiently valid since they do not actually measure leader behaviours but simply the followers' perceptions of the leader's behaviour (Schriesheim and Kerr, 1977).



Since no universal theories of leadership seemed to evolve from all the leader behaviour research, scholars tried to take situational approaches to the study of leadership, thus starting an era of contingency approach to the study of leadership.

### Contingency Theories of Leadership

Contingency approaches to leadership take the position that there is no "one best way" to lead in all situations. Effective leadership styles will vary from situation to situation, depending on several factors such as the personality predispositions of the leaders, the characteristics of the followers, the nature of the task being done, and other situational factors.

#### *Tannenbaum and Schmidt's Leadership Pattern*

As early as in 1958, (before the use of the term contingency became popular in the area of leadership studies), Tannenbaum and Schmidt used a contingency framework to discuss effective leadership patterns taking a situational approach. See their article under HBR Classics in the Harvard Business Review, May-June, 1973. They suggested that the use of authority by the manager (boss-centered leadership style) or the area of freedom given to the subordinates (Subordinate-centered leadership) is a function of the (1) forces in the manager (value system, confidence in subordinates, leadership predispositions, and feelings of security or insecurity); (2) forces in the subordinate (their needs for dependence or independence, readiness to assume responsibility, tolerance for ambiguity, abilities, knowledge and experience, and inclination to participate in decision-making); and (3) forces in the situation (type of organization, group effectiveness, time pressures, and the nature of the problem itself). Tannenbaum and Schmidt concluded that a successful leader is one who can accurately assess the forces that determine what behaviours would be most appropriate in any given situation and then is able to be flexible enough to adopt the most functional leadership style. The Tannenbaum and Schmidt is depicted in Figure 11.2.

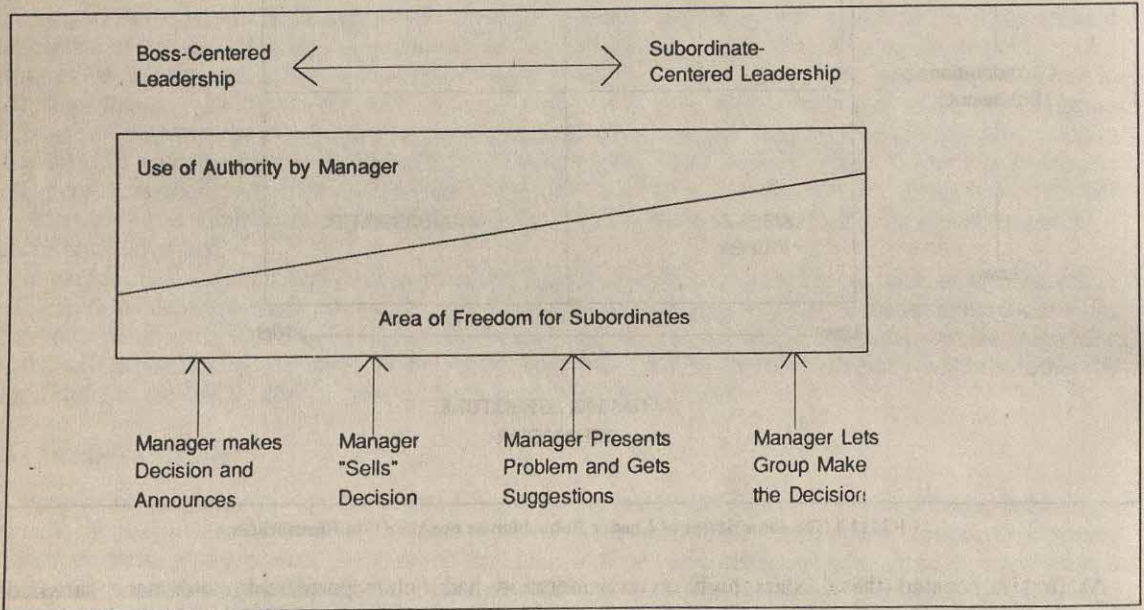


FIG. 11.2 The Tannenbaum and Schmidt Contingency Model.



## Fiedler's Contingency Theory

Fiedler (1967) developed a model to predict work group effectiveness by taking into consideration the "fit" or match among (1) the leader's style (task-oriented or relationship-oriented); (2) the leader-member relations (that is, the extent to which the group members support the leader—which can be either good or poor), (3) task-structure (that is, the extent to which procedures and guidelines are available to perform the tasks—which can be high or low); and (4) the position power of the leader (that is, the extent to which the leader has the authority in his or her official position to dispense rewards and punishments—which could be either strong or weak). Certain combinations of the last three factors are considered to be situations where the leader finds himself or herself to be in either a high degree of control or low control over the situation one finds oneself in. In either of these situations, the most effective leader, according to Fiedler, will exercise a task-oriented leadership style. Certain combinations of the three factors, however, are considered to be situations where the leader will have a moderate amount of control and where the relationship-oriented leader will be most effective. See Figure 11.3 which illustrates Fiedler's Contingency model.

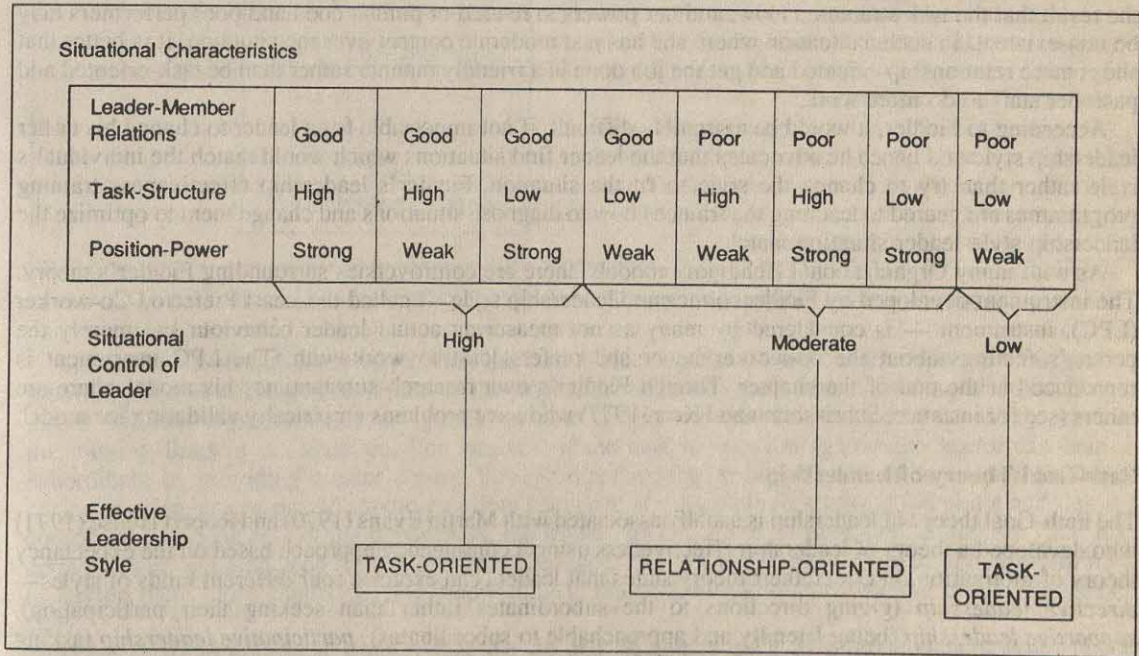


FIG. 11.3 Fiedler's Situational Variables and Effective Leadership Styles

*Examples of situations of high, medium, and low control* Illustrations of the three types of situations will help to understand why the task-oriented or relationship-oriented leadership style will be more effective in particular situations.

**A High Control Situation** The leader has a great deal of control over situations if the leader-member relations are good, the task is highly structured, and he or she also has the resources to give rewards or withhold them. A production supervisor or foreman who is very knowledgeable in a highly successful manufacturing company would find himself in such a situation. Here the individual is totally in control of the situation he is in, and will simply have to make sure that he gives the necessary instructions to get the task done. There is no need for him to waste time talking to each employee in order to be perceived as "friendly and nice". A task oriented leader will be effective in such situations.



**A Low Control Situation** If a group is not particularly interested in supporting the leader, if the task structure is low, and the leader's position power is also weak, then the leader undoubtedly finds himself in a very low control situation. The leader of a task-force committee which is appointed to solve problems encountered in the work setting, is likely to find himself in such a situation. Since the individual does not have the active support of the members (he may not even have seen them before), nor is the task structure clear (the problem being complex and never having been encountered before), and certainly in view of the fact that the leader has no position power (has no means to reward or punish the members), it makes sense for the leader to be task-centered; that is, remind the members what they are there for and resolve problems as they arise, rather than try to be friendly and nice, but not be able to motivate the members to work together to find solutions to the problem.

**A Moderate Control Situation** Here the leader might find herself in a mixed situation. For instance, a manager might have a good relationship with her workers, but the task structure and position power of the leader may be low. A bank loan officer may actually find herself in this situation. She may get along very well with her staff, but each individual loan application may have to be dealt with on its own merits with the result that the task structure is low, and her powers to reward or punish good and poor performers may be non-existent. In such a situation where she has just moderate control over the situation, it is better that she is more relationship-oriented and get the job done in a friendly manner rather than be task-oriented and push her staff to do more work.

According to Fiedler, it would be extremely difficult, if not impossible for a leader to change his or her leadership style and hence he advocates that the leader find situations which would match the individual's style rather than try to change the style to fit the situation. Fiedler's leadership effectiveness training programmes are geared to teaching the trainees how to diagnose situations and change them to optimize the leadership style-leader situation match.

As with many Organizational Behaviour models, there are controversies surrounding Fiedler's theory. The instrument developed by Fiedler to measure leadership style — called the Least Preferred Co-worker (LPC), instrument — is considered by many as not measuring actual leader behaviour but merely the person's feelings about the co-worker he or she prefers least to work with. The LPC instrument is reproduced at the end of the chapter. Though Fiedler's own research substantiates his model, there are others (see for instance, Schriesheim and Kerr, 1977) who have problems empirically validating the model.

### Path-Goal Theory of Leadership

The Path-Goal theory of leadership is usually associated with Martin Evans (1970) and Robert House (1971) who developed a theory of leadership effectiveness using a contingency approach based on the expectancy theory of motivation. In effect, their theory states that leaders can exercise four different kinds of styles—*directive leadership* (giving directions to the subordinates rather than seeking their participation), *supportive leadership* (being friendly and approachable to subordinates), *participative leadership* (asking for suggestions from subordinates before making decisions), and *achievement-oriented leadership* (setting challenging goals and assignments for subordinates). The Path-Goal theory postulates that any of the four styles can be used effectively by the leader, depending upon situational factors such as subordinate characteristics (ability, internal-external locus of control), and attributes in the work-setting (task characteristics, formal authority system, and the nature of the primary work groups). If there is a good fit between the leadership style and the situational factors in the work setting, then subordinates will experience job satisfaction, accept and value the leader as a dispenser of valued rewards, and will engage in motivated behaviours because they will know that their effort will lead to performance and that performance will lead to valued rewards. See model depicted in Figure 11.4



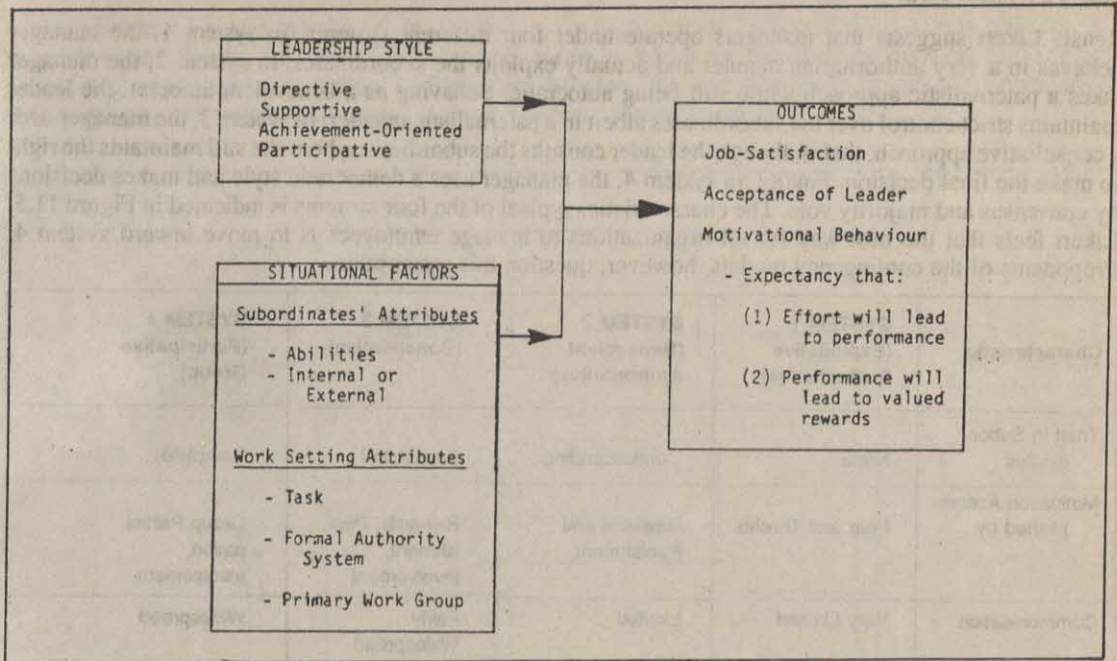


FIG. 11.4 Path Goal Theory of Leadership

The rationale behind the theory is that the leader can help the subordinates to achieve their goals by providing what is missing in the situation. Employees are helped by the leader to see the path by which their efforts will lead to performance, and performance to desired rewards. This the leader can do by providing the missing links in the situation. For instance, if the task is very ambiguous the leader can help the subordinate by providing greater clarity, through directive leadership; if the task is too repetitious and boring, the leader can provide socio-emotional support; if the employees have good skills and desire to contribute to the success of the department, the leader can engage in participative leadership; and if the employees have a high need for achievement, the leader can egg the employees on to higher performance by giving them more challenges and responsibility, thus exhibiting an achievement oriented leadership style.

There is some empirical support that the desired outcomes such as motivated behaviour and job satisfaction do indeed occur when the leader provides the subordinates with whatever is missing in the situation — challenge, support, direction, etc. However, more empirical research is needed to substantiate the usefulness and validity of the model and to test the various hypotheses that can be generated therefrom (Schriesheim and DeNisi, 1981).

### Other Approaches to Leadership

Despite the popular contingency approaches to leadership and management styles, some researchers and management consultants still believe in certain universalistic approaches to effective leadership. We will discuss two of these models here — Likert's (1967), System Four and Blake and Mouton's (1969) Managerial Grid.



**Likert's System Four**

Rensis Likert suggests that managers operate under four different systems. In system 1, the manager behaves in a very authoritarian manner and actually exploits the subordinates. In system 2, the manager takes a paternalistic approach while still being autocratic. Behaving as a benevolent autocrat, the leader maintains strict control over the subordinates albeit in a paternalistic manner. In system 3, the manager uses a consultative approach, that is, though the leader consults the subordinates, here she still maintains the right to make the final decision. Finally, in system 4, the manager uses a democratic style and makes decisions by consensus and majority vote. The characteristics typical of the four systems is indicated in Figure 11.5. Likert feels that the best way for all organizations to manage employees is to move toward system 4. Proponents of the contingency models, however, question this assumption.

Characteristic	SYSTEM 1 (Exploitative Authoritative)	SYSTEM 2 (Benevolent Authoritative)	SYSTEM 3 (Consultative)	SYSTEM 4 (Participative Group)
Trust in Subordinates	None	Condescending	Substantial	Complete
Motivation Accomplished by	Fear and Threats	Rewards and Punishment	Rewards, Punishment, Involvement	Group Participation, Involvement
Communication	Very Limited	Limited	Fairly Widespread	Widespread
Interpersonal Interaction	Very Limited	Limited	Moderate Amount	Extensive
Decision Making	Centralized	Mostly Centralized	Broad Participation Allowed	Dispersed
Goal Setting	Centralized	Mostly Centralized	Some Participation Allowed	Participation Allowed
Control	Centralized	Mostly Centralized	Moderate Delegation	Extensive Delegation
Informal Organization	Always Developed and in Opposition to the Organization	Usually Developed and Partially in Opposition to the Organization	May be Developed and May Support or Oppose the Organization	Informal Organization is the Same as the Formal Organization

FIG. 11.5 Likert's Four-System Construct

**The Managerial Grid**

The five basic approaches to management identified by Blake and Mouton (1969) are based on the two dimensions of "concern for people" and "concern for production" that are associated with leaders. Generating a 9 by 9 grid based on these two dimensions (See Figure 11.6), the authors identify the 1.1 or impoverished style of managers who are low on both their concern for people and production; the 1.9 or country club style where managers have high concern for people but low concern for production; the 5.5 or the middle-of-the-road style of managers who have moderate levels of concern for both people and



production the 9.1 or task manager style where there is a high concern for production but very little concern for people; and finally, the 9.9 or team-management style, where the manager has high concern for both people and production. According to Blake and Mouton, the one best style for all managers, in all organizations, and under all situations is the 9.9 or team management style.

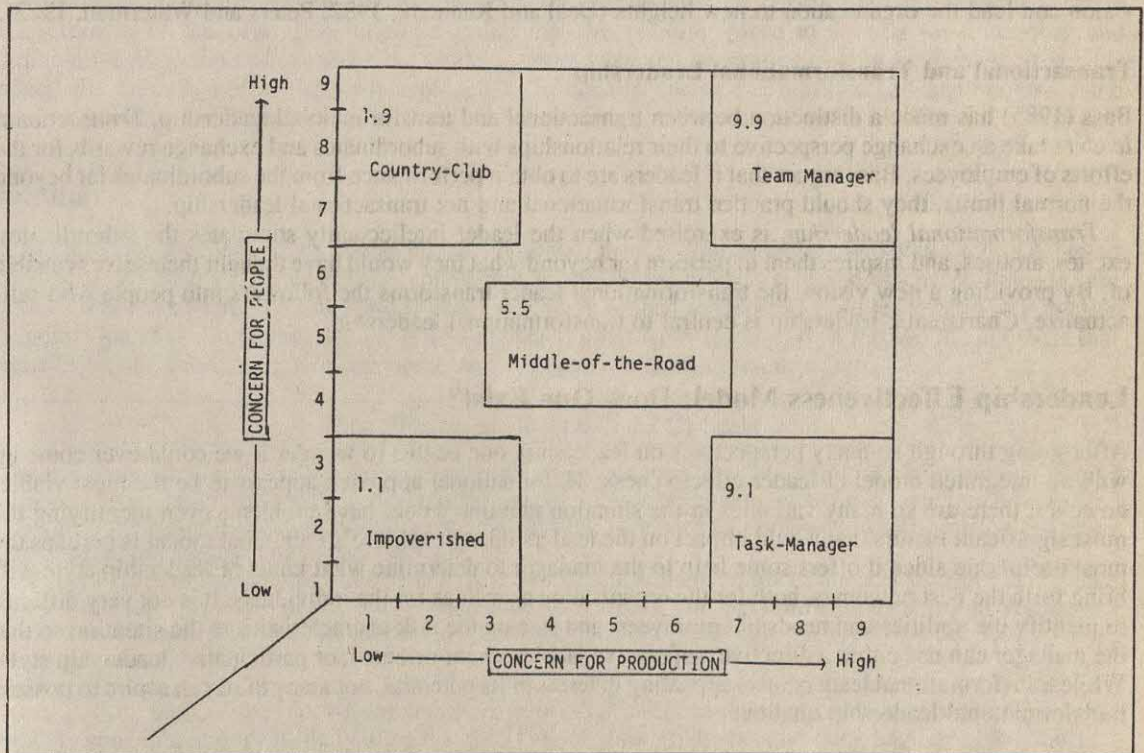


FIG. 11.6 The Managerial Grid

### More Recent Approaches to Leadership

Some recent approaches to leadership either tend to downplay the importance given to the concept as it has been conceptualized and researched thus far, or highlight the need to refocus on investigating traits and charisma as they impact on the dynamics of leadership — a notion which was earlier abandoned since it was discounted as a viable approach to understanding leadership.

### Leader Substitutes

Disenchanted with the progress of viable leadership theories that can be empirically validated, there is a school of thought that the concept of leadership, in itself, may not be an important topic for investigation and there may be certain “substitutes” for leadership that may be worth exploring. For instance, Kerr and Jermier (1978) feel that the subordinates’ experience, ability, and training may substitute for task leadership. Professionals such as accountants and engineers with good experience and training, need no leaders to guide them to perform well. Likewise, intrinsically satisfying jobs will offer satisfaction to the task performer and no leader is needed to try to motivate the worker. The substitute idea does not negate the leadership role but offers scope for enhancing employee performance and satisfaction through factors that extend beyond the leaders’ style.



## Charismatic and Symbolic Leadership

There is now a renewed interest in the study of charismatic leadership. By virtue of their personal charm and abilities, charismatic leaders are seen to have a very powerful effect on their followers. Such leaders then formulate new values, beliefs, and expectations, thus generating a new rejuvenated culture for the organization which is transmitted through rituals, stories, symbols, and myths. These leaders provide a new vision and lead the organization to new heights (Deal and Kennedy, 1982; Peters and Waterman, 1982).

## Transactional and Transformational Leadership

Bass (1985) has made a distinction between transactional and transformational leadership. *Transactional leaders* take an exchange perspective to their relationships with subordinates and exchange rewards for the efforts of employees. Bass argues that if leaders are to obtain performance from the subordinates far beyond the normal limits, they should practice transformational and not transactional leadership.

*Transformational leadership*, is exercised when the leader intellectually stimulates the subordinates, excites, arouses, and inspires them to perform far beyond what they would have thought themselves capable of. By providing a new vision, the transformational leader transforms the followers into people who self-actualize. Charismatic leadership is central to transformational leadership.

## Leadership Effectiveness Model: Does One Exist?

After going through so many perspectives on leadership, one begins to wonder if we could ever come up with an integrated model of leader effectiveness. The situational approach appears to be the most viable; however, there are so many variables in the situation that one would have problems even identifying the most significant factors that would impact on the leadership style. House's Path-Goal model is perhaps the most useful one since it offers some help to the manager to determine what kinds of leadership style will bring forth the best outcomes, both for the organisation as well as for the individuals. It is not very difficult to identify the abilities and needs of employees, and size up the task characteristics in the situation so that the manager can use either a directive, supportive, achievement-oriented, or participative leadership style. While transformational leadership is appealing in terms of its potential, not many of us can aspire to possess transformational leadership qualities.

## Leadership in the Indian Culture

Leadership in Indian organizations has generally been found to be, at best, of the benevolent authoritarian type (Bass, 1981; Haire, Porter and Ghiselli, 1966). Hofstede (1980), empirically established, that compared to most other countries, India has a high Power Distance Index. Power Distance denotes a society's acceptance of the way in which power is distributed in organisations. In cultures with a high power distance, power is distributed unequally, with a powerful group at the top of the hierarchy making decisions that are highly centralized. Such systems usually function well because those at the lower levels of the hierarchy have a need to feel dependent on others for guidance and administration. It is also possible that in some cases, subordinates could go to the other extreme and engage in counterdependent behaviours in high power distance situations (Hofstede, 1980).

Sinha (1976) found that authoritative leadership is often preferred by employees in Indian organisations. Such leadership depicts a strong task orientation and a strong personal involvement and effort by the leader. While this may have been true in the past, a question that we should ask ourselves is whether such a leadership style will be functional in the future. The changing demographics of the workforce, at least in the urban cities in India, have to be taken into consideration as we examine the concept of effective leadership styles. Those working in urban organisations in India are younger, more educated, and technically better trained than their counterparts of the previous generation. With this changing composition of the workforce, a different leadership style is perhaps called for to better utilize the skills and expertise







									Sub Total	
Untrustworthy	1	2	3	4	5	6	7	8	Trustworthy	
Considerate	8	7	6	5	4	3	2	1	Inconsiderate	
Nasty	1	2	3	4	5	6	7	8	Nice	
Agreeable	8	7	6	5	4	3	2	1	Disagreeable	
Insincere	1	2	3	4	5	6	7	8	Sincere	
Kind	8	7	6	5	4	3	2	1	Unkind	
									Total	

**Scoring**

Determine your LPC score and its implied leadership style by adding the numbers recorded in the right-hand column. Mark this total in the space provided.

If your score is 64 or higher, Fiedler considers you to be a high LPC person. The high LPC person essentially says of his or her least preferred co-worker, "Even if I can't work with you, you may still be an okay person." Because of this sensitivity for relationships with others, the high LPC person is considered to be "relationship-motivated" as a leader.

If your score is 57 or lower, you are a low LPC leader. A low LPC person describes the least preferred co-worker in very negative terms. Essentially he or she says, "Work is extremely important to me, therefore, if you are a poor co-worker and prevent me in my efforts to get things done, then I can't accept you in other respects either." This low LPC individual is termed "task motivated" as a leader.

A score of 58 to 63 indicates a possible mix of motivation and goals. If you fall in this range, Fiedler argues that you need to decide for yourself where you fit between task and relationship motivations.

**Discussion Questions**

1. People allow themselves to be influenced through compliance, identification, and internalization. Describe specific situations where you have been influenced in these three different ways. Make sure that you give reasons why you consider you were influenced in a particular manner and what the outcome of it was.
2. What are the different sources of power for the professor in the classroom? Which of these sources influences you the most? Why?
3. Explain why the "zone of indifference" is an important concept.
4. At one time, researchers abandoned the trait theory of leadership and now they have started to talk about "charisma" and transformational leadership. What do you think of this?
5. "Contingency theories of leadership have been conceptualized long before Fiedler came up with his model." Discuss this statement.
6. Critically examine Fiedler's contingency theory of leadership.
7. Why would the Path-Goal theory be considered a contingency theory of leadership? Discuss fully.
8. Between Fiedler's theory and House's Path-Goal theory, which would you say is more appealing to you? Why?
9. What do you think of the Universalistic theories of leadership? Critically examine Likert's system IV and the Managerial Grid in light of your answer.

**Case 1****The Children's Summer Camp<sup>1</sup>**

The Aga Abbas Ali (AAA) School on the outskirts of Bombay wanted to try innovative recreational and educational methods for children and had started Summer camps as one way of enlarging the scope of

<sup>1</sup>Adapted from camp zappa'73



learning for both children and adults. However, there were some staff problems that seemed to persist from time to time during the camping trips. During this particular summer camp, one of the counselors, Suchinder Seth, was not getting on well with the four other camp counselors and things reached a crisis when, frustrated by the lack of respect and recognition that he thought was needed to run a good evening program for the children, Suchinder staged a dramatic exit from the playground. The camping children and the rest of the counselors were left standing in the field, not knowing how to handle the situation. Mr. Govind Patel, the Head of the Camping unit had to act at once to bring things under control.

The background of the situation was as follows.

The Summer Camp program of the AAA School was an idea conceived by the School Board members to:

1. Provide each child with a real fun experience while inculcating a team spirit. For this purpose, children of the same age and gender were put together in groups, to room, play with, and experience new learning opportunities without having to read textbooks as in the classroom setting.

2. Expose each child to outdoor camping experiences and challenges and start building leadership abilities in children by making them responsible for their own rooms and personal care under the very loose supervision of a camp counselor.

3. Develop children's natural talents in music, art, painting, dancing, and the like in a relaxed, carefree vacation atmosphere.

About 200 children avail of the opportunities offered through this Program each summer. They camp for a maximum period of three weeks in an interesting camping site chosen by the school for its outdoor opportunities and natural beauty. Upon arrival at the camp, the campers are divided into small groups of about 10 children each, according to their ages and gender. Each unit is then headed by a unit head (UH). An Area Counselor (AC) then supervises about 4 unit heads. The entire camp is under the head of the Camping Unit who is called the Camping Director (CD). Each AC is responsible for planning, organizing, and directing the activities of the 5 units under his or her jurisdiction. Once a week, one big event is usually held in the evening for the entire 200 campers — an event for which one of the ACs takes charge and the others help in co-ordinating the event and helping with the activities of the evening.

Another feature of the camp activities is that the ACs will try to mingle the children from several units for an hour or two each day so that the children have opportunities to interact with as many of their peers as possible and will also be interacting with others from different units. This, the ACs tried to accomplish by offering different "hobby" activities led by the ACs in which the UHs helped. For instance, one AC will be directing all campers interested in swimming, another in playing games, a third in story-telling, a fourth in painting, a fifth in singing hymns, or whatever else the ACs may be proficient in.

In preparation for this summer's activities, the counselors arrived in Mahabaleshwar three days earlier than the campers so that they could have some time to plan the summer agenda. Suchinder Seth was a new teacher who had just joined the school a month ago while the other four teachers (who were to be counselors during this camp) had been with the school for the past six years or more. In fact, three of the four — Sunita Iyer, Charulata Karnik, and Satish Mishra — had been on the Committee which originally had decided to introduce the Summer Camping Programs as innovative educational extensions for children. Yeshwant Mhatre who loved children wanted to join this summer's camp so as to be close to them for three full weeks. Dr. Govind Patel, this year's Director of the Camp was the Vice-Principal of the School.

For Seth and Mhatre this pre-camping session was more or less like an orientation programme. The group of counselors and Dr. Patel decided to take a hike on the second day of their arrival at Mahabaleshwar and discuss the interests of each counselor so that group activities can be organized around interests. During the hike, each counselor carried a backpack containing such items as cassettes, cool drinks, playing cards and others such things as a few cooking utensils, and some rice and dal, so that they could cook some food if they happened to decide to return to the camping grounds rather late at night. In their enthusiasm, one of them decided to carry a water cooler containing ice-cold water so that in the heat of the day they could quench their thirst with water if they found that the cold drinks did not do the job.

As they hiked, Mishra and Mhatre were teasing the women for their slow gait and dainty walk and the women were teasing them in turn about their overweight and breathlessness as they hiked up the hills. Patel



was listening to all the humorous bantering while Seth walked ahead of all the others not getting involved in the conversation and clearly out of hearing distance. Every once in a while he would turn back, complain that the others were too slow and that they would never reach their destination at the current pace of walking. At one stage, when they passed by a brook, Seth simply took off all his clothes but his underwear and started swimming in the shallow water challenging the others to join him. The others were simply astonished that he would behave like a child and ignored him as they walked along. But Seth caught up with them, and placing the water cooler on the ground complained that he had been carrying the heaviest weight and it was time for someone else to carry it. So saying he just walked ahead and was soon far ahead of the others carrying nothing but his own weight. The group was stunned by his behaviour, and had to redistribute what they carried so that the men carried the heavier load and the women were not overtaxed. Seth's action angered them all, but they were sure that he would soon regret his impulsive act and come and help them out, but that never happened. Ultimately when they all reached the end of the hike trail and sat down to have a nibble at the snacks they had brought, Seth expected the women teachers to serve the men, which further angered and irritated the women counselors and they just refused to mother him.

After the snacks, when all the others sat in a circle to discuss the agenda for the campers and how each would contribute to the events that would take place, Seth just lay down under the tree and said he would join the discussions after practising "shavasana" (relaxation in the deadman's pose) for about half an hour. Not wanting to create further tensions among the group members, Patel simply ignored Seth, and the rest of the members drew up an agenda for the three weeks' activities. So far as interest or hobby groups were concerned, Sunita Iyer said that she would lead a group which would be interested in singing Hindi songs, Charu Karnik indicated that she would guide a group interested in painting the beautiful hills and the scenery, Satish Mishra said he would take charge of the group of students who would be interested in "karati", and Mhatre was going to teach young children how to swim. When Seth joined the group as these discussions were going on, he said that he was interested in leading a group interested in "yoga". He seemed to get into the spirit of the discussions and though the other members were not particularly interested in what he had to say, Patel encouraged him to come up with his ideas.

On the third day, the counselors were trying to get organized for receiving the children and assigning them to different units giving each unit a "house name". The next day when the children arrived, everything went reasonably smoothly. As the children were asked to form into special groups so as to be identified with their interests among music, swimming, painting, karati, and yoga, most of the children opted for karati, music, swimming and painting and not one child enlisted for the Yoga session. Dr. Patel actually extolled the virtues of yoga to the children who were all basically under 14 years of age, but even so none indicated any interest. This infuriated Seth who took it as a personal slight and he withdrew himself from most of the activities and further planning. Actually when counselors' meetings were held early in the mornings, he was invariably late and offered the excuse that he had overslept. In an effort to get him involved in the Camp activities, Patel asked Seth to be in charge of the second week's evening activity when all the 200 campers will meet to experience a common fun event. This enthused Seth and though the other counselors volunteered to help him in any way that he wanted, he did not seek their ideas or assistance. The day before the event, Patel asked Seth about the next day's plans, and all that Seth replied was that everything was under control. When the women counselors asked Seth how they could help he responded by saying that all that they needed to do was to show up for the event. The campers were asking the counselors, and the counselors were asking each other as to what was going to happen during the special event. After dinner, everyone met at the grounds at 7.00 p.m. on the day of the much-looked-for event.

Each team assembled at its usually allotted space. When Seth arrived he just went from team to team trying to explain the evening's activities. None of the counselors wanted to suggest a better way of disseminating information to the campers since they were themselves unaware of what was going on. Mhatre, however, made some derogatory remark about how crazily the event was being handled, which was overheard by Seth. Seth at once dropped the pieces of paper and the pencils he was carrying in his hand and yelled at the counselors that if they knew so much about how to organize things, they should take over and run the show. He then made his way to his cabin pushing away the children who surrounded him. It was Patel's turn to be surprised at the turn of events and he had to decide what to do, and that too, quickly!



## Case 2

**The Nataraj Metal Products Company<sup>1</sup>**

The Nataraj Metal Products Company (hereinafter referred to as the Nataraj), has its manufacturing plant at Arani and employs about 500 workers. It produces a variety of metal products such as brass knobs, steel frames, collapsible iron gates, chromium handles and so on. Orders for these are placed by building contractors in and around Madras but the volume of orders fluctuates, with the rainy season being the slowest period. The company is reputed for quality products delivered on time and at competitive prices.

The Production plant has a Tool and Die department, the Stamping department, the Plating department, and the Paint department. The Production Control, Maintenance, and Receiving and Shipping departments are also under the Production Manager, Mr. Ramanujam who has just been transferred a month ago from the Avadi plant to the Arani plant.

Workers in the tool and die department are highly trained craftsmen. Because of their skills they are paid much higher wages than those in the plating and paint departments whose workers are not so highly skilled. Many of the workers in the plating and paint departments have been with Nataraj for several years. Those in the stamping department are the least skilled and lowest paid. Turnover rates in this department are also high.

The plating department is located at the far east side of the plant and 40 men work in the department, plating or oxidising the metal plates or making parts for paint applications to be done at another end of the plant. The men work in four different aisles in the department, each aisle placed under a supervisor. The activities that take place in these aisles comprise: (1) acid dipping, where parts are manually immersed and treated in acid solution so that they could be etched; (2) barrel tumbling, where parts are smoothed by being loaded into drums containing caustic or corrosive solutions; and (3) plating where parts are loaded on racks and immersed by hand through the plating sequence. Cycle times, chemical formulas, composition of abrasive mixtures and chemical formulas differ depending on the quality of plating needed and the metal used.

In aisle 1, acid dipping for high quality painting is undertaken and men here work closely with men in aisle 3 who are engaged in high-quality tumbling work. Workers in aisle 2 tumble items of regular quality and sometimes work on oxidation dipping. Men in aisle 4 do tumbling work with respect to certain special products only. The supervisors for aisles 1 to 4 are Mr. Subramanian, Mr. Krishnan, Mr. Narayanan, and Mr. Swaminathan, respectively. The working conditions in different parts of the department vary considerably. That part of the plating department containing the tumbling barrels and plating machines is constantly awash with cold water, steaming acid, and caustic soda and men working here have to wear special boots and gloves in the scorching month of May as in the cold month of January. The rest of the area is dry and relatively more comfortable to work in.

I sought permission from the President of the company, Mr. Suresh Srivastava to study the plating department in partial fulfillment of the requirements of my independent study on Industrial Engineering under Dr. Sitaram. All the information detailed below has been gathered by me either through direct, close, personal observation or from talking to the people in the aisles.

Members in aisle 1 were very friendly with each other and frequently helped one another in getting the jobs completed on time. The "Subramanian group" as they were frequently referred to, worked overtime whenever necessary to get rush orders completed and always cooperated as a team. Members in aisle 2, under the supervision of Mr. Krishnan operated in a different style. Mr. Krishnan was the nephew of the President and felt he could not be touched by anybody including the Production Manager. He came late, left early, and all but one of his workmen were indifferent to their jobs. Krishnan hardly trained anybody and the group never worked overtime. Aisle 3 had a different mode of operation. The individuals there wanted to be like the Subramanian group and under the direction of Mr. Narayanan learnt how to do a good

<sup>1</sup>Adapted from The Slade Company Case prepared by P.R. Lawrence and John A Seiler, Harvard Business School.



job, though they did not enjoy the same status that the Subramanian group did in the Plating Department. The two groups, however, got along well together and often went out for picnics on a Sunday or holiday. Members of aisle 4 kept to themselves and though Mr. Swaminathan himself was a very capable young man, he took neither the time nor the trouble to teach his constantly changing workers how to do the best possible job. No sooner would he train a man than he would quit. So Swaminathan did most of the rush jobs himself using whoever was around to help him.

The working hours for the workmen were from 7.00 a.m. to 5.00 p.m. with half an hour's break each for lunch and afternoon snacks. The supervisors were expected to be at work from 9.00 in the morning till 5.00 p.m. with a half hour break for lunch. There was a punch time card system and every worker had to daily punch the time he came in and quit work. An interesting dynamic that operated in the plating department was that the Subramanian group had an arrangement by which the workmen took turns for one to come at 7.00 a.m. and punch in the time cards for all the other workmen in the aisle. Mr. Subramanian was aware of what was going on but did not bother about it. His reason for ignoring the malpractice was that the workers were being paid much lower wages than the industry average and thus he felt they deserved to work shorter hours. According to Subramanian they were the best workers and would give anything to get the job done, including their time and energy. They always met deadlines and certainly deserved some time off. Subramanian also proudly said, "No one can do a better and more professional job than my crew!"

Most of what Mr. Subramanian said was true and I myself have seen the men sit late and complete the job when rush orders suddenly poured in. They also never seemed to be satisfied with their work unless everything met their standards of near perfection. When I asked Subramanian whether it would not be better for the workers to unionize to get better wages, he replied that things were better as they were now since workers did other jobs during their off-time and earned good wages and still showed interest and pride in their plating work. If they were unionized, they might get better wages but would also tend to get lazy, and become more indifferent to their work at Nataraj. According to Mr. Subramanian, pride in work and not money was the motivator.

When I interviewed Mr. Krishnan, he talked mostly about things in general and seemed totally indifferent to what was going on in his aisle. During the course of our conversation he remarked:

I have spent several years here and know that no matter how hard one works, there is no place one can go further up here at Nataraj. I do what I think is a fair day's work and take it easy. Those who work hard hoping they will climb up the ladder in this organization are simply fools.

Krishnan's men also engaged in the same type of time punching tactics that Subramanian's men did but, so far as I could tell, Krishnan did not seem to be aware of what was going on. Nobody discussed the matter with Krishnan since supervisors in the other aisles seemed to have scant respect for him and totally disregarded him. It was no wonder then that Krishnan felt isolated and showed his aggressiveness in many ways. He shouted at his men when work did not get done, but despite the lower standards of performance of his group, he never got into trouble with the higher-ups for either taking more time to get the job done or not performing as high a quality as the other groups in the plating department did. To feel good about himself, Krishnan tried to write Tamil novels which were always rejected by book publishers. The more he failed, the more he walked in to work drunk and the less he seemed to know what was going on in the plating department.

The Swaminathan group did not punch time cards for each other, but the workers were very unhappy that they were the only ones who were always at the workplace on time. Once they arrived, they hardly started any work till just five or ten minutes before Swaminathan came. Not wanting to incur their displeasure, and being acutely aware of the fact that the workers were grossly underpaid, Swaminathan did most of the work himself using the help of whoever was available.

Having talked to all the supervisors and to many of the men in each of the aisles, I next had a meeting with the new Production Manager, Mr. Ramanujam. Ramanujam asked me how I liked the experience of talking to the men in his department. He talked a lot about his experiences in Avadi and during the course of the conversation I came to understand that Mr. Ramanujam was aware of the punch-out system in the plating department and was considering what action, if any, he should take.



# 12

## Conflict Management

A simple definition of conflict is that it is any tension that is experienced when one perceives that one's needs or desires are or are likely to be thwarted or frustrated. Such tensions could arise because the person experiences two incompatible desires within the self — that is, experiencing intrapersonal conflict — such as wanting to see a good movie tonight, but at the same time feeling the need to stay at home and study for an exam that is to be held tomorrow morning. Here, one goes through intrapersonal tensions or conflict in the process of deciding “to be or not to be”. Tensions can also arise because of interpersonal conflict which can be defined as a state in which the concerns of two or more parties appear to be incompatible. The process starts when one party perceives that the other has frustrated or is about to frustrate some concern of the individual (Thomas, 1976). Chung and Megginson (1981) describe conflict as the struggle between incompatible or opposing needs, wishes, ideas, interests, or people. Conflict, they say, arises when individuals or groups encounter goals that both parties cannot obtain satisfactorily (p. 252). This suggests that conflict could arise due to incongruence in (1) *goals* (that is, the desired end states or preferred outcomes of two or more parties are incompatible); (2) *values* (people having diametrically opposing value systems and experiencing problems in reconciling value differences); (3) *cognition* (having conflicting ideas or thoughts); (4) *affect* (incompatible feelings and emotions); and (5) *behaviours* (acting in ways that are unacceptable to the other).

### Traditional and Behavioural Views of Conflict

The traditional view of conflict has been that is bad and should be avoided at all costs with the result that sometimes there is a tendency to suppress conflict and push it under the rug. By ignoring the presence of conflict, we somehow try to wish it away. The current behavioural view is that conflict is: a naturally occurring phenomenon; inevitable; inherent in any system; not always bad; and that, in fact, an optimum level of conflict energizes the system, clears the air, helps to solve problems, and acts as a catharsis. Thus, the current view of conflict is that it could be functional to individuals, groups, and to organizations (Coser, 1956).

### The Functionality of Conflict

Conflict is useful inasmuch as healthy tensions bring about many useful changes in the system. More often than not, conflict *clears the air* since people give vent to their emotions and get bad feelings off their chest. Having got rid of anger and other stifling emotions harboured for a long time within themselves by having now verbalised them, individuals can enter into healthy working relationships since they have worked through their feelings. Conflict is also useful in another sense. If there are no tensions at all in a system, then the system is likely to remain static and people are likely to feel bored with the status quo after a time. Imagine, for instance, a couple in a household, who over several years, have had absolutely no difference



of opinion whatsoever on any matter, and the one tugs the other's line all the time! It is possible that through the years, their marriage has become rather dull and eventless! In an organisational setting, if things go on very smoothly and people stick to their daily routines over extended periods of time through the years without any disagreements, work will probably get done, but there will be no innovation in the organization nor any incentive for the members to take a fresh look at how things ought to be changed in the interests of improving efficiency or effectiveness or both. In such organizations, work and the workers will tend to become mediocre since there will be no stimulation at the workplace. Thus an optimum level of conflict seems essential for innovation since it stimulates people and keeps interpersonal interactions and the workplace moving in an exciting, healthy, and creative manner. We can illustrate this with an example.

Let us say that the sales and production departments are constantly fighting with each other. The vice-president might ask the heads of both departments to get together and discuss the problems so as to come up with a solution which will be mutually agreeable and beneficial to both parties. He might insist that this be done in the next three weeks. This forcing of the two departments to act jointly might result in their coming up with creative ideas that they might not have otherwise thought of. Thus, conflict could result in collaborative and creative problem solving if properly handled.

Intergroup conflicts (conflicts between two or more groups) foster intragroup cohesion as a common enemy is faced and dealt with by the group members. Thus, group cohesion can increase through conflict. At the organizational level, conflict can bring about changes in structure and processes since it acts as a stimulus for examining established systems which are no longer useful. New rules, regulations, procedures and norms, and changes in other dimensions of structure and processes are often brought about because of conflicting situations. For instance, it is possible that the cumbersome formal communication system in an organization might create tensions among members at different hierarchical levels. Because of the frequent tensions, management might examine the problem and arrive at an improved, functional communication system which would facilitate and speed up organisational work. Thus structural and process changes are sometimes the result of conflict in organizations.

Conflict could also, serve as a power equaliser, that is, equalise power between two contending parties. This is manifest during Union-Management negotiations. When Union and Management go to the bargaining table, management does not feel as powerful as it normally does. In this conflictful situation both the union members and management meet as two powerful groups with very little differential power advantages at the bargaining table. While management has the power over the purse strings, the union, due to sheer strength of numbers, has the power to even bring the organisation's operations to a halt!

Conflict contained within reasonable limits, thus serves several useful purposes and can be functional for individuals, groups, and to the institution. However, if conflict is allowed to develop beyond control, it could tend to become destructive, resulting in such aversive consequences as strikes, sabotage, and other dysfunctional behaviours. There thus seems to be an optimum level of conflict that is very useful for the development of creativity, healthy problem-solving behaviours, and productivity. This optimum level is depicted visually in Figure 12.1. Because too little conflict creates conditions of inertia and boredom in the system, and excessive conflict results in destructive and dysfunctional tendencies, conflict has to be "managed". Managers have to monitor the level of conflict in the system, and if there is too little or no conflict at all, managers may even have to induce some level of conflict to energise the system. As the level of conflict tends to go beyond the optimum level the manager must act to resolve the conflict in a manner that will be beneficial to the organisation.



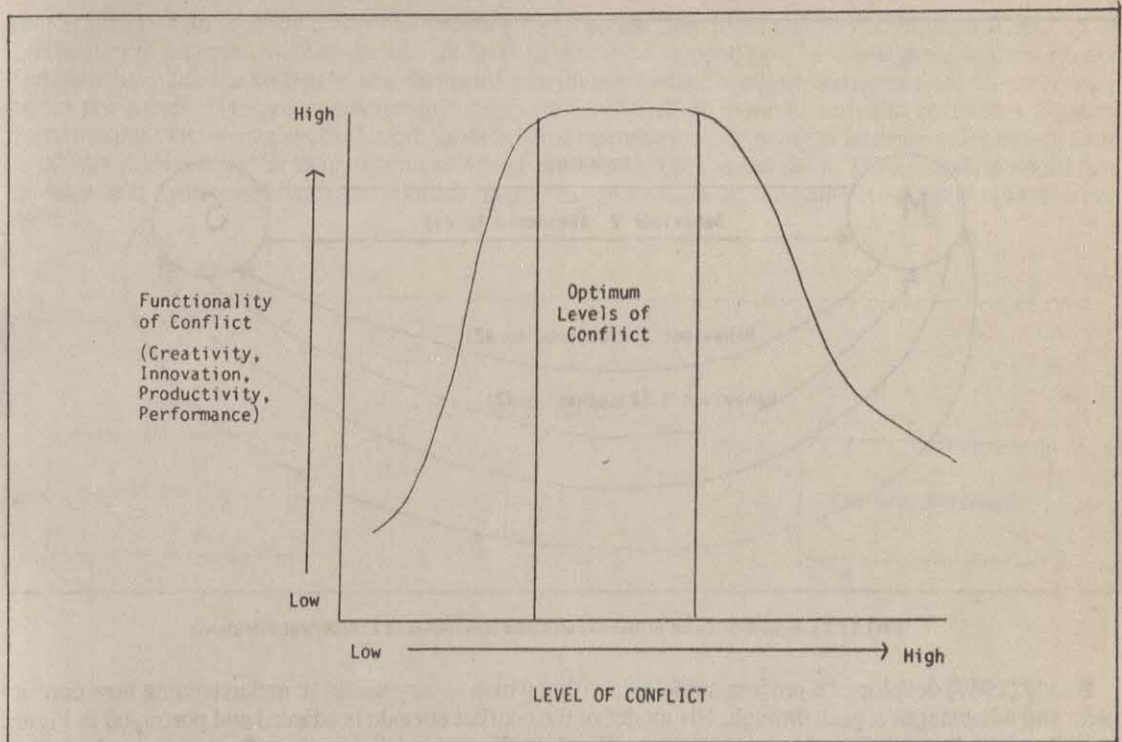


FIG. 12.1 Function

### The Dynamics of Conflict

It is useful to understand the dynamics of conflict. Conflict gives rise to a series of behaviours and responses between or among parties. For instance, if a manager (M) perceives a subordinate (S) to be talking to another person instead of attending to some urgent work that he has been asked to do, then M experiences tensions since what he expects to happen (S working on the urgent assignment) and what he sees happening (S talking to another person) are at variance. M then calls S and in a severe tone of voice asks why S is wasting time instead of working on the urgent project. S gets annoyed with M for being so harsh and retaliates by saying if somebody comes and talks to him on official business, he cannot very well refuse to talk to him and what does M expect him to do? Tell the individual that his boss will not approve of his talking? M considers this response as insolent and becomes even angrier. Thus a chain reaction of behaviours and responses is set, as depicted in Figure 12.2.



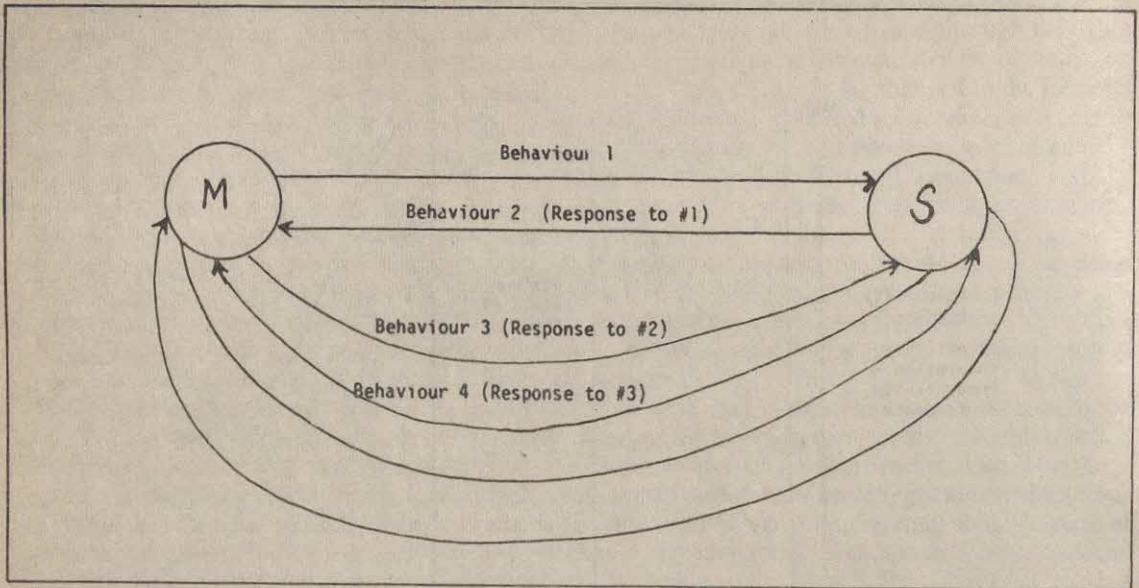


FIG 12.2 Chain Reactions of Behaviours and Responses in Conflictful Situations

Pondy (1967) developed a process model of conflict which is very useful in understanding how conflict starts and what stages it goes through. His model of the conflict episode is adapted and portrayed in Figure 12.3. Pondy delineates five stages in what he calls a "conflict episode": latent conflict, perceived conflict, felt conflict, manifest conflict and conflict aftermath.

*Latent conflict* is the stage in which factors exist in the situation which could become potential conflict-inducing forces. For instance, if resources are limited in an organisation and there are demands for different kinds of resources (men, materials, money) from various departments in the system, then the situational factors are very favourable for conflictful situations to develop. This is the latent conflict stage.

*Perceived Conflict* is the stage when one party perceives the other to be likely to thwart or frustrate his or her goals. For example, the production manager might hear the sales manager say that without more salespersons he cannot achieve the targeted sales for the year. On hearing this, the production manager perceives the likelihood of a conflict developing between the sales manager and himself, since he is in need of more machinists and some foremen in his department as well. Since the resources in the organization are limited, if more salespersons are hired, less money will be available to hire more machinists and foremen for the production department. At this stage, the production manager is perceiving the possibility of a potential conflict developing between the two departments.

*Felt Conflict* is the stage when the conflict is not only perceived but actually felt and cognized. In the above case, when the Vice President schedules a joint meeting of the department heads to discuss resource allocations, the production manager literally "feels" the impact of the impending confrontation in the ensuing meeting. Both parties anticipate some powerful exchange of words, probably rehearse their act, and experience anxiety.

*Manifest Conflict* is the stage when the two parties engage in behaviours which evoke responses from each other. At this stage, there is a great likelihood of both parties engaging in the pattern of responses indicated in Figure 12.2. In the above case, the Vice President might ask each manager to substantiate the need for more personnel, and the sales manager (S) might start by saying that sales figures are down, and unless sales are increased, the company cannot make profits and might be in big trouble. He might make the point that with the current lean salesforce, aggressive sales just cannot be undertaken. The production



manager (P) might then say that if there is not enough production, there will be nothing to sell, and so for production to be maintained at the current level (if not to be stepped up), he needs more machinists and foremen to replace the six that he lost during the past three months. He might also make a case for procuring better raw materials to produce better quality goods which will be more attractive to customers. S might then respond that making sophisticated goods in great quantities is not going to increase sales unless there is adequate advertising for the products, and there are salespersons to sell them. The arguments could thus go back and forth at the manifest conflict stage when the parties to the conflict air their opinions and feelings.

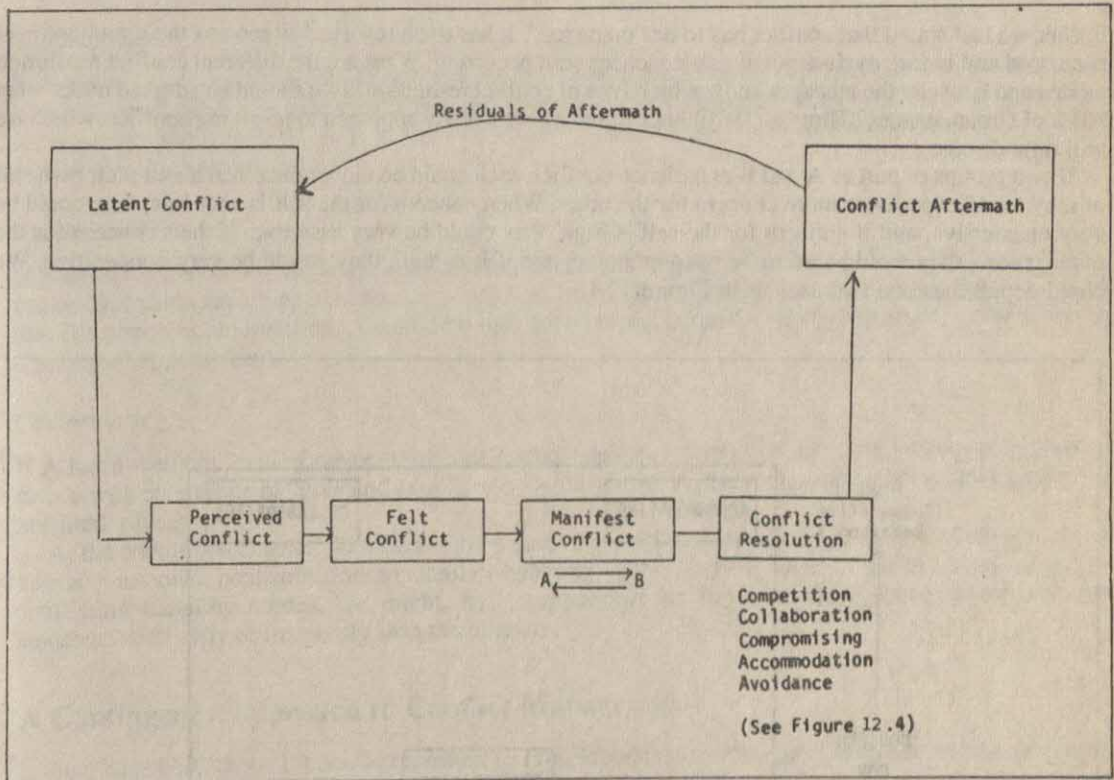


FIG. 12.3 Pondys Conflict Episode Process (Adepted)

*Conflict Aftermath* is the stage where, after the conflict is resolved in some way, there is still some residual tension left in the parties, which among other things, provides the basis for latent conflict for the next episode. For the sake of clarity, Conflict Resolution has been added as an additional box in Figure 12.3 to elucidate that conflict aftermath is a direct function of the results of the conflict resolution style adopted and exercised in any given situation.

*Conflict resolution* can take place in a number of different ways, and there are at least five different modes in which conflict between parties tends to get resolved. Both parties could: 1. *collaborate* with each other and find ways to resolve the problems taking a "win-win" approach to conflict resolution; 2. they could *compete* for the resources taking a "win-lose" approach with the attitude "let the stronger party win"; 3. one could *accommodate* to the needs of the other by surrendering his or her desires; 4. they could *compromise* and share the resources between them; or 5. one or both could *avoid* facing the conflict. These



are discussed later in greater detail. Depending on how the conflict has been resolved, there will be an "aftermath" or residue. If the conflict has been resolved to the satisfaction of both parties, all is well. If one or both parties feel aggrieved, there will be residual tensions left which will then become potent forces that set the stage for latent conflict for the next cycle of the episode which can be triggered by some incident.

By understanding the dynamics of conflict and their resolution as discussed above, the manager will be able to understand which stage any particular conflict episode is in and what would be the appropriate action to take to resolve the conflict between the parties so as to judiciously "manage" conflict.

## Conflict Resolution Modes

Earlier we had stated that conflict has to be "managed". It has to be resolved as soon as the optimum level is crossed and before dysfunctional consequences start occurring. What are the different conflict resolution modes and how can the manager know which type of conflict resolution style should be adopted under what kinds of circumstances? Thomas (1976) has offered a contingency approach to resolving conflicts which we will now discuss.

If two groups or parties A and B experience conflict, each could be more concerned about their own self or they could experience more concern for the other. When concern for the self is very low, they could be very unassertive, and if concern for the self is high, they could be very assertive. If their concern for the other is low, they would tend to be uncooperative, and if it is high, they would be very cooperative. We could depict these on two axes as in Figure 12.4.

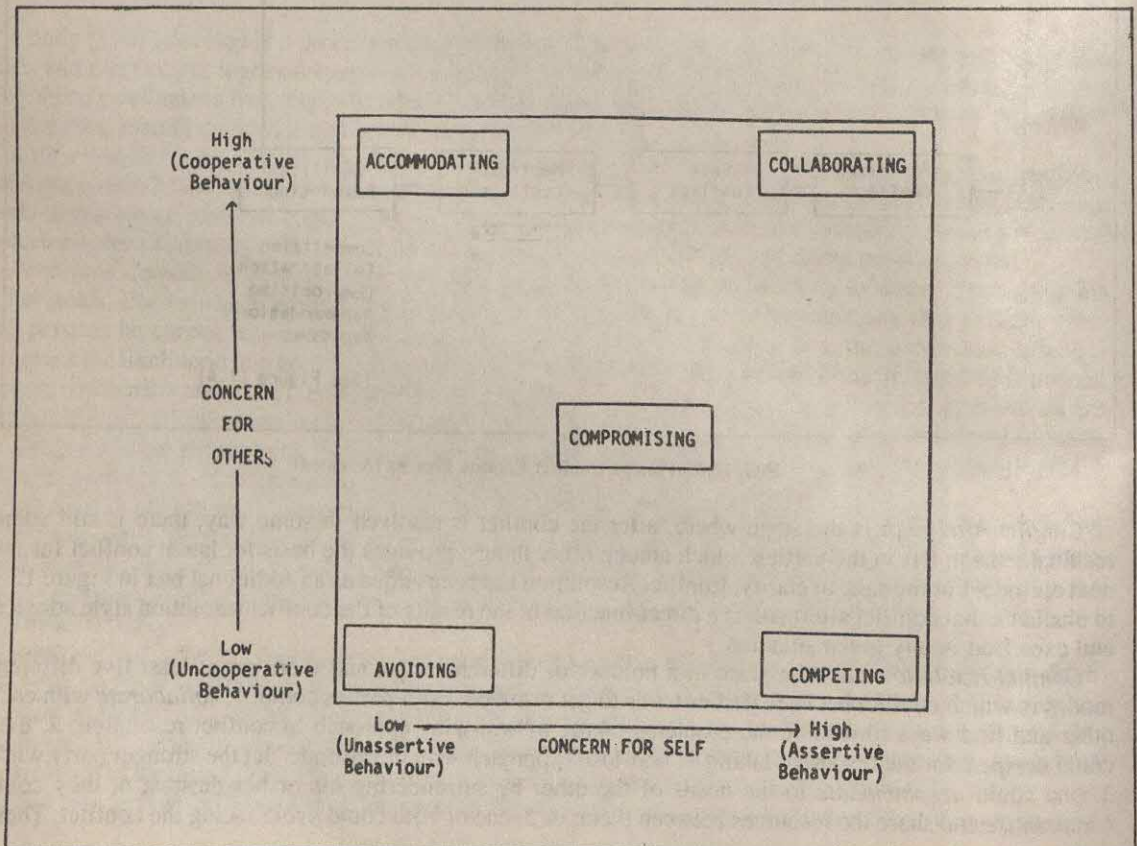


FIG. 12.4 Conflict Resolution Models



### **Avoidance**

If, in a conflicting situation, party A is concerned neither about himself nor the other, A is likely to avoid facing or handling the conflict. When the situation is thus ignored or neglected, then B might just get the better of A by taking advantage of A's avoidance behaviour.

### **Competing**

If on the other hand, A has very high concern for himself and very low concern for the other, then A will take a highly competitive stance and would approach the conflict situation from a "I win-you lose" stance. This, competitive mode of handling the conflict will then resolve who wins and who loses in the situation.

### **Collaboration**

If A has high concern both for the self and for the other, then A would approach the conflict situation in a collaborative mode with a desire to solve whatever problem exists in a way that would benefit both parties. A "win-win" stance will be taken in such a case and the resolution of the conflict will result in satisfying experiences for both parties.

### **Accommodation**

If A is highly concerned about the other and not so much about himself, that is, A is cooperative but very unassertive about satisfying his own concerns, then, he will be eager to give in to B and please B. To ensure that B's concerns are satisfied, A would be very accommodating and thus try to resolve conflicts through a policy of appeasement.

### **Compromise**

If A has a medium level of concern for both himself and the other, then, he would take a compromising stance with an attitude of "give and take" and be willing to share the resources so that neither totally wins nor totally loses.

At the end of this chapter, 30 forced-choice questions are provided with a scoring sheet so that you can assess your own predisposition to conflict-handling. While all of us are capable of using all five conflicting handling modes, we might, by temperament or habit, be predisposed to use one or two modes more heavily or frequently than the others.

## **A Contingency Approach to Conflict Management**

Is there "one best" mode for conflict resolution? Is collaboration always good, and competition or avoiding always bad? Perhaps not! All five modes come in handy in different situations and each has its own advantages and disadvantages. So long as we understand which mode works best in what kind of a situation, while also simultaneously recognizing their drawbacks, we can learn to be more flexible in the use of our conflict-handling styles to suit the different types of conflictful situations we find ourselves in. Recognizing the problems with each style also helps us to be aware of the dangers when our scores are either too high or too low on each of these modes.

When is each of these modes most useful? The following points (taken from Thomas and Kilmann, 1974) clarify the most appropriate situations under which each mode can be used profitably.

### **Competing**

Competing is a power oriented mode of resolving tensions and one uses whatever power one has or can muster: skills, knowledge, abilities, rank, being well-connected, etc., to win. Competing is useful when you know that resources are limited and the system has to be pruned. For instance, in times of budget cuts, the departments that do not contribute directly to the company's profits are usually eliminated on the basis of



competitive power plays. Also, in times of emergencies, where quick, decisive action has to be taken and there is no time to seek collaborative, compromising, or accommodating solutions, the competing mode is useful. Here, one uses power and makes unilateral decisions taking the "win-lose" approach. Likewise, when one has to take unpopular decisions such as enforcing discipline, unpopular rules, cost cutting and so on, unilateral power-based strategies to put an end to conflicts are appropriate. Using power is also important to resolve conflicts on matters which are of vital importance to the company, and where one is aware of the right solutions.

There are some things that people should be concerned about when they score *high* on this mode. If individuals are highly power-oriented, they are likely to surround themselves with those who would always agree with them, that is, "yes-men" (because people know that it is politically unwise for them to disagree with such people). Thus, the only information that will be shared by the agreeable others with such power-oriented individuals will be what the latter would like to hear. This shuts the high-power people off from critical feedback which can be usefully applied for enhancing the effectiveness of the organisation. Also, since in a competitive environment, people feel compelled to come across to others as competent and knowledgeable, they never ask for information or guidance when they do not know how to handle issues, and hence, the organisation ultimately suffers as a result of lower quality performance.

When people score very *low* on the competing mode, they are likely to feel powerless in many situations, not realizing that they do have power but are just inept at or uncomfortable with using it. By trying to use the power one has, and becoming skilled at it, one could enhance one's influence, thereby enhancing one's effectiveness. Another drawback in scoring low on this mode is that such individuals find it difficult to take a firm stand on issues even when they know they are right. Concerns for others' feelings could force them to postpone making vital decisions and communicating them in a timely manner. This, in no way helps the organisation or its members.

Thus, while the competing mode is useful in certain situations, people have to be careful not to surround themselves with "yes-men" and not to foster ignorance and duplicity in the system. People low on this mode can learn to use their power more and enhance their own as well as their organization's effectiveness.

### *Collaborating*

Collaborating involves an attempt to work with the other person to find solutions that would be satisfying to both parties. Here, the underlying concerns of both parties are explored in depth, the disagreements examined in detail, and resolutions arrived at by combining the insights of both the parties. A creative solution usually emerges because of the joint efforts of both the parties who are keen on *both* gaining from the situation without hurting the other.

Collaboration is a very useful mode when the two sets of concerns of the two parties are both too important to be compromised. Hence, finding integrated solutions becomes imperative. The example cited earlier where the marketing and production managers had their different concerns is a good case where the Vice President could use a collaborative mode to resolve the conflict. Collaboration is also essential when the commitment of both parties is essential for important projects to succeed. This is achieved by addressing both people's concerns and arriving at a consensual decision. In addition, collaboration is also the best mode when the objectives of the party are: 1. to learn (testing one's own assumptions, trying to understand the other's point of view, etc.); 2. to merge insights that different people bring to a problem because of their backgrounds, training, disciplines, or orientations; or 3. to work through hard feelings which are interfering with a desired interpersonal relationship.

When people score *high* on collaborating, they have to be concerned about how they spend their time and use other organizational resources. Collaboration is time and energy consuming. Not all situations need collaborative solutions. The overuse of collaboration and consensual decision-making may reflect risk aversion tendencies or an inclination to diffuse responsibility.

When people score *low* on collaborating, they may fail to capitalise on situations which would benefit immensely from joint problem solving. Also, by ignoring the concerns of employees, decisions and policies may be evolved which make the organisational members both unhappy and uncommitted to the system.



## Compromising

Compromising is taking an intermediate position on both the assertive and cooperative dimensions. In compromising, the party tries to find some expedient, mutually acceptable solution which partially satisfies both parties, though neither is fully satisfied. A compromising stance addresses the issue without avoiding it, but does not explore the alternatives in a way that would be completely satisfying to both parties as in the case of collaboration. Compromising involves "splitting the difference", exchanging concessions, and seeking a quick middle-ground solution.

Compromising is a useful mode when the goals pursued are important, but not so important that it is worth potential disruptions by taking very assertive or unyielding positions. For instance, the production and maintenance departments might both want 50 hours of overtime to be sanctioned to each, but when only a total of 80 hours are made available to both, each might agree to use 40 hours. Each has compromised by giving up some, but not all. They have split the difference. Compromising is also a good conflict resolution mode when two parties with equal power are strongly committed to mutually exclusive goals such as in labour-management bargaining situations. Here, invariably, a final resolution of the conflict is reached by both parties making compromises on their original demands.

Compromise is an expedient mode to settle complex issues in the short-run till a more thorough and permanent solution to the problem can be found. This is particularly true when solutions have to be arrived at under extreme time pressures. It can also be used as a backup mode when both collaboration and competition fail to work effectively in resolving conflicts.

When people score *high* on compromising, they should be wary of the fact that this mode of operation on a constant or consistent basis can create a climate of "gamesmanship" in the work environment, which might then lead to distrust among members. That is, people might know that the resolution would involve "splitting the difference" and hence jack up the level of their original demands, as sometimes happens in the case of budget requests, where whoever plays the game "right" is likely to gain additional advantages. Thus, people start playing games with each other which results in distrust among the members. It is also possible that when people concentrate heavily on the tactics of compromising, they may lose sight of values, principles, and long term objectives and company welfare. For instance, in the example where the maintenance and production departments split the overtime among them, it may have caused less frictions between the departments and their members, but without adequate maintenance, the machines might not be working as well as they should. This would result in further machine breakdowns. Because of the down time and the time required for repairs, future demand for overtime for the production workers is bound to increase. It is also possible that because of constant machine breakdowns the quality of goods manufactured is sometimes affected! Thus, compromise as a conflict resolution mode might offer an easy way out, but is also likely to produce adverse overall effects for the organization if that is the main or only approach to conflict resolution taken by managers in the organisation.

If people score *low* on compromising, it might indicate that they find it hard to make concessions and that they might be caught in power struggles and find it almost impossible to get out of awkward situations in a graceful manner. Compromise is a safety valve when collaboration or competition fail to yield results. A low score might also indicate the opposite — that the individual is too embarrassed or shy to bargain, and hence does not want to enter into such bargaining situations.

## Avoiding

Avoiding is a mode used when the individual is both unassertive and uncooperative — that is, the person has a very low concern for his own and his opponent's needs. While avoiding, the individual might diplomatically sidestep a conflictful issue, postpone addressing it till later, or totally withdraw physically and/or psychologically from a threatening situation.

Avoiding can be very functional when the issue involved in the conflict is trivial, or of passing importance, or when more pressing issues are to be handled by the individual within a limited time frame. Avoiding can also be the only alternative when one's power is very low and there is no chance of satisfying one's own concerns. For instance, if the personality of the head of the department is such that whenever a



clerk enters his cabin he just yells at and abuses the individual, the clerks will simply avoid going to the department head's cabin when he is inside since there is no way that the personality of the individual can be changed by the clerical staff who are low on the hierarchical ladder. Avoidance is also tactical when the potential damage of confronting the situation outweighs the benefits of resolution. A very capable clerk who was in line for promotion in the Reserve Bank several years ago, threw a paper weight at his supervisor who was both incorrect and argumentative in handling a situation. The clerk's anger was mitigated by taking out his frustration on his boss. But because of this impetuous act the head of the department gave a ruling that the clerk should not be promoted for the next eight years despite his superior abilities and seniority. This is an instance where the clerk would have been well advised to avoid the conflict with his supervisor. The costs of the confrontation for him far outweighed whatever satisfaction he might have derived by handling the conflict in this manner.

Avoiding is also advisable in the following situations: 1. when you desire that people should cool down so that they regain their composure and perspective, after which the tensions can be handled more productively; 2. when more information is needed to make a good decision; 3. when someone else can resolve the conflict more effectively — in the above case of the clerk throwing the paperweight, the section manager could have more effectively resolved the tensions; and 4. when the issue which provokes the conflict is symptomatic of another more basic underlying matter, and attempting to resolve the surface issue will not help the situation. The example of the following case where a faculty member avoided her chairman well illustrates this point. The faculty member who was very productive in research and had several papers to present in international conferences was always harassed by the chairman who said that she made "too many demands" on the resources of the system whenever she asked for travel funds. It was known to all in the department that the chairman was miffed that his pay raises were not anywhere as close to hers because he did not do any research. People felt that this bothered him to such an extent that he was antagonistic towards her. To avoid the conflict with the chairman, the professor started to apply for travel funds from the dean's office and the dean then twisted the chairman's arms and she got paid without ever approaching the chairman.

When managers score *high* on avoidance, they have to be concerned that 1. decisions on important issues might constantly be made by default; 2. co-ordination of efforts might suffer in the system because critical decisions and inputs are avoided; and 3. inordinate amounts of time and energy can be expended by all when people get the message that the system is "too cautious" about making decisions and they also had better be so.

When individuals score *low* on avoiding (that is, they always want to confront every single issue), they might be hurting other people's feelings, and stirring up hostilities (which they do not intend to), because they make it a point to confront every insignificant situation. They might also be spending a lot of time on trivial issues.

### *Accommodating*

Accommodating might take the form of selfless generosity, or obeying another's orders rather unwillingly, or giving in to another person's point of view. In all these cases, the individual neglects his or her own concern to satisfy the concerns of the other party. There is an element of self-sacrifice in this mode. Accommodating is useful in situations where the individual realizes that he or she is wrong. By yielding to the other's point of view, the individual indicates to the other that he/she is reasonable. Also, when an issue is much more important to the other person than to the individual, by being accommodating, the person maintains goodwill and a cooperative relationship, and also builds social credits so that the other person gives in when a later issue becomes important to this individual. Think of the situation where two employees want to leave the office early on a particular day—one because her child is sick, and the other because she wants to pay a casual visit to her cousin—but only one can go early. Would it surprise us when the latter quite willingly accommodates the former this time?

Accommodation is also expedient when continued competition would only damage one's cause because one is outmatched and is losing. As an example, when the department head has ears only for his favourite



manager, there is not much point in trying to improve the working of the department in ways that would displease the favourite manager. Accommodation is also usually the choice mode of operation when preserving harmony and avoiding disruption are especially important, as frequently happens in many homes.

When people are *high* on accommodation, they might be deferring too much to the wishes of others and pay very little attention to their own ideas and concerns even though they may realise that they are not getting the attention they deserve. This might even lower one's self-esteem in addition to depriving one of influence, respect, and recognition from others since it negates the potential contributions that individuals are capable of making to the organization.

When individuals score *low* on accommodating, they should start thinking about whether they lack the goodwill of others (since accommodating on some issues is important as a gesture of goodwill), and whether they are perceived by others as unreasonable, uncompromising, rigid, and demanding. Such people should also engage in introspection to find out if they know (1) when to give up; (2) how to admit when they are in the wrong; and (3) can recognize legitimate exceptions to rules.

In sum, all five conflict handling modes are useful under different situations and there are advantages and disadvantages to having either too high or too low scores on each of these. It would be useful to build up a repertoire of conflict handling behaviours so that we can take a contingency approach to handling conflict situations.

## Conflict in Organisations

In organisations, conflicts can be interpersonal, intragroup, intergroup or intraorganisational in nature. Intraorganisational conflict encompasses vertical, horizontal, line-staff, and role conflict. Let us briefly examine these.

*Vertical Conflict* refers to conflicts that occur between individuals at different levels. Conflict between the superior and subordinate is an example of vertical conflict. Such conflicts could happen because of perceived transgression of psychological contract, inadequate and/or ineffective communication, selective perceptions, misperceptions, incongruence in goals, values, cognition, affect, and behaviour, and any number of other reasons.

*Horizontal Conflict* refers to tensions between employees or groups at the same hierarchical level. Horizontal conflict occurs because of interdependence among the parties concerned in the work situation and/or the common pooled resources shared. For instance, a common typists' pool requires several departments to share a central resource which is likely to produce tensions among the departments, each of which will be inclined to prioritize its own work. Incompatibility of goal and time orientations often results in horizontal conflicts. For example, the production department of a company might want to minimise costs and the marketing department might be keen on increasing custom-made products. Here the goal of one is efficiency and the other is of customer satisfaction. In such cases where there is an incompatibility in the goals of two or more units, conflicts will arise. Differences in time orientations are also instrumental in inter-unit conflicts. For example, the operation of the sales department will have a shorter time frame as they make on-the-spot sales. If they want the research and development department who operate on a much longer time frame to come up with new ideas quickly, it is not going to work. Conflicts will take place between the units due to the misunderstandings and frustrations experienced by both parties. Horizontal conflict increases as: (1) functional interdependence increases among people or groups at the same level (i.e., one has to depend on the other for the completion of its goals); (2) more units depend on common resources that have to be shared, for example, raw materials; and (3) the fewer the buffers or inventories for the resources shared.

*Line-staff conflict* refers to the conflicts that arise between those who assist or act in an advisory capacity (staff) and those who have direct authority to create the products, processes, and services of the organization (line). Staff managers and line managers usually have different personality predispositions, and goals, and come from different backgrounds. Staff managers have specialised skills and expertise acquired through



training and education and have greater technical knowledge which is intended to help the line managers who are basically money makers for the organisation. Staff people serve as advisors for the line people inasmuch as they have the expertise to streamline methods and help in cost-cutting mechanisms. Line managers may, however, feel that the staff people are a nuisance, coming in the way of their performance by always telling them how to do their job and thrusting their ideas and methods. It is not unusual for line people to resent the fact that they have to be "advised" by the staff people. The staff people often get frustrated that the line people do not consider all the ideas put forth by them and thereby fail to benefit.

*Role Conflict* arises because different people in the organisation are expected to perform different tasks, and pressures build up when the expectations of the members clash in several ways. This could be either because of:

1. *intersender role conflict* — different role senders (bosses) expect the individual to perform different things and these expectations and their messages conflict with each other;
2. *interrole conflict* — role requirements associated with membership in one group conflict with role requirements stemming from membership in another group;
3. *intrasender role conflict* — when the same boss expects different incompatible behaviours from one person, and
4. *person-role conflict* — where the role requirements of an individual conflict with the individual's moral and ethical values. Examples of each of these would clarify the concepts.

An example of the intersender role is the president asking the manager to write up a report on the new project and submit it in the next four days, and the auditor asking the same manager to go with him to audit the branch offices today, tomorrow, and the day after! Here, the manager cannot possibly fulfill both role expectations! Interrole conflict can be experienced by a supervisor who just attended the managers' conference where he has been told that strict action should be taken against a group of strikers, and the same supervisor who is also a member of the Union being told that "supervisors should protect the striking employees from harm". Here, the supervisor's membership to the two groups results in conflicting loyalties and role expectations. Intrasender role conflict will be experienced by a supervisor who is asked to get a lot of her section's work done, while also being asked to take charge of another section because the supervisor of that section is on a week's casual leave without a replacement. Person-role conflict is likely to be experienced by an individual who is asked by the boss to bribe a government officer to get the job done for the department.

## How Can Managers "Manage" Conflict in Organisations?

As we have already noted, managers should aim for optimum levels of conflict in organisations. Things should not be so dull that nobody cares what happens in the worksetting, nor should they be so turbulent or traumatic that it is difficult for people to keep from getting at each other's throat!

Managers can reduce conflict in organisations through structural changes and other "organizational development" (O.D.) strategies. Structural methods could involve decoupling or reducing interdependencies to the extent possible, buffering with inventory, and having better integrating or coordinating mechanisms (see chapter 15 for a comprehensive discussion of this). Other process-oriented O.D. strategies could involve process consultation (where the dysfunctional ways in which people interact and deal with each other are examined and rectified), team building (which helps intra- and inter-group members to work better with each other by understanding each other's position), and third party peacemaking (where a member external to the organisation helps people to sort out their differences). These are discussed in detail in Chapter 15. If the manager wants to resolve conflicts by making the parties work in a collaborative mode, then superordinate goals which transcend the immediate goals of the two individual parties can be set. For instance, if the production and marketing departments are fighting for resources, the V.P. can say that if they jointly come up with a proposal that will increase the profits of the organisation by an additional 5 percent, each department can have 2 percent of the additional profits made. So, now, instead of worrying about their own departmental interests, the two will have to work in the interests of raising the organisation's profits of which they will each get a share!



Where things are quiet and there is not much stimulation for innovation, managers can induce some cognitive tensions between groups, departments, or individuals. This can be done by disputing what is being said by one or both parties, by playing the devil's advocate, and even creating goal conflict which will result in some competitive behaviours among the groups. This will spur them on to exchange ideas, generate new ideas and put vitality into the organisation.

## Summary

In this chapter we examined conflict and its usefulness to organisations when it is properly managed. The importance of maintaining an optimum level of conflict was discussed. We looked at five different conflict handling modes and discussed the different kinds of conflicts that organisations usually face and what managers can do to manage them.

Thus far, we have discussed several managerial processes in organisations. In the next two chapters we will examine certain structural issues.

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## Discussion Questions

1. Explain Pondy's Conflict Episode taking the reader through the model with an illustration of a conflict situation that you have yourself experienced.
  2. In our culture, do you think the traditional or the behavioural approach to conflict management is most frequently taken by managers? Give plausible reasons for your projected answer.
  3. Go through the exercise "Know Your Own Conflict Management Style". Discuss your own primary and back-up styles, examine the differences in the scores, and discuss the situations that would be most appropriate for you to feel comfortable with in dealing with conflicts.
  4. What do you think you need to work on the most, given your scores on the Conflict Instrument. Discuss how you plan to improve your conflict handling style.
  5. Which type of conflict is easier to handle in organisations: vertical conflict or horizontal conflict. Give reasons for your answer.
  6. When is setting superordinate goals most effective? When is it least effective? Explain your responses with illustration and reasoning.
  7. Explain with examples: (a) substantive, (b) emotion and (c) value-based conflicts. Which is the easiest and which is the most difficult to resolve? Why?
- 

## Understand Your Own Conflict Management Style

### Instructions

Imagine that you are in situations where you do not agree with another person and try to respond to the following with that orientation.

Below, you will find several pairs of statements describing possible behavioural responses to situations. For each pair, circle the "A" or the "B" statement which is most characteristic of your own behaviour. In some cases neither the "A" nor the "B" statements would be representative of your behaviour; even so, try to select that which comes closest to what you may be likely to do.

The responses which you circle will offer you a good understanding of your conflict-handling style.

1. A. I frequently decide that I should not bother about the differences in our viewpoints.  
B. I try to get my way.
2. A. I try not to hurt the other's feelings so that our relationship can be maintained.  
B. I do all that is necessary to avoid tensions.
3. A. I get all the issues out in the open and discuss them.  
B. I try to postpone issues till I have had time to think.
4. A. I try to seek a solution which is neither totally what I want nor what the other person wants.  
B. I try to assert my viewpoint.



5. A. Many times I let the other person take on the responsibility for solving problem situations.  
B. Instead of trying to negotiate the things on which I might disagree with another, I usually emphasize the aspects on which we both agree.
6. A. I am very goal-oriented and pursue my own goals.  
B. I try to patch up so that our friendship is not spoilt.
7. A. I establish a middle ground.  
B. I do not think that I should worry about the differences.
8. A. I take a middle ground.  
B. I insist on my points being heard.
9. A. I firmly pursue my goals.  
B. I try to avoid frictions.
10. A. I usually try to find a solution which is more compromising in nature.  
B. I usually try to handle all of the other party's as well as my own concerns.
11. A. I try not to handle controversial issues.  
B. If it makes him happy, I let him have his say.
12. A. I try not to create unpleasantness for myself.  
B. I try to win my own position.
13. A. I try to be logical and show him the advantages of my position.  
B. I try to be sensitive to his wishes.
14. A. To make the other person happy, I let him have his way.  
B. I will give in some, if he will give in some.
15. A. I start working through the differences immediately.  
B. I try to see what is fair for both.
16. A. I try to deal with both persons' wishes.  
B. I let him solve the problem.
17. A. I usually search for a compromise solution.  
B. I usually let go of my own wishes so that the other person's needs are taken care of.
18. A. I try to establish a middleground.  
B. I try to satisfy both our wishes.
19. A. I firmly stick to my point of view.  
B. I work out a solution with the other person.
20. A. If the matter is that important to him, I let him have his way.  
B. I insist on a compromise.
21. A. I usually get everyone's concerns out in the open.  
B. I usually try to give in and preserve our friendship.
22. A. While negotiating, I take the other's feelings into consideration.  
B. I deal with the issue directly, placing all the cards on the table.
23. A. I feel strongly about pursuing my goals.  
B. I feel compromise solutions are the best.
24. A. I take time to think over the issue before starting to discuss it.  
B. I give in some to gain some.
25. A. I would rather not hurt the other's feelings.  
B. I jointly work out the problem with the other person.
26. A. I try not hurt the other's feelings.  
B. I convince the other of the logic of my statement.
27. A. I express my ideas and ask for his.  
B. I try to convince him of the benefits of my ideas.
28. A. I firmly pursue my goals.  
B. I try to get all the issues out on the table.
29. A. I generally avoid controversial situations.  
B. I pursue a policy of give and take.
30. A. I invariably work with the other person's help to come up with a solution.  
B. I try my best to do whatever is necessary to avoid tensions.



## Scoring

Circle the items below which you circled against each item of the questionnaire you have just completed.

S.No.	Competing	Collaborating	Compromising	Avoiding	Accommodating
1	B			A	
2				B	A
3		A		B	
4	B		A		
5				A	B
6	A				B
7			A	B	
8	B		A		
9	A			B	
10		B	A		
11				A	B
12	A			B	
13	A				B
14			B		A
15		A	B		
16		A		B	
17			A		B
18		B	A		
19	A	B			
20			B		A
21		A			B
22		B			A
23	A		B		
24			B	A	
25		B			A
26	B				A
27	B	A			
28	A	B			
29			B	A	
30		A		B	

Total number of items circled in each column:

Competing	Collaborating	Compromising	Avoiding	Accommodating

## A Case Study

## Escalation of Conflict Through Endowed Chair

Dr. Anant, chairman of the department of management, and Dr. Basant, chairman of the accountancy department, had always experienced awkwardness whenever they interacted with each other during the executive committee and other meetings. The management department had an excellent group of faculty members who were not only reputed for their research but were also first rate teachers. No other department in the entire system had such a group of prolific writers in any one unit. In fact, the management department faculty and their chairman did entertain feelings of superiority even though they tried not to express it blatantly. Because of their research productivity and national reputation, the university allocated more



resources to the management department—more funded trips to conferences, more xeroxing money, more secretarial assistance, and the like.

Dr. Basant was also proud of his accountancy department faculty because the members were extremely active and successful in acquiring consulting projects and generating a lot of money for themselves and for the department. They worked with the big accounting firms and private sector organizations. These firms donated generously to the department. Because of all the money generated, the faculty had plush carpeted office, specialised stationery, and other status symbols. Actually, the accountancy department looked like a private company's show room, with Kashmir carpets, fancy furniture, an impressive conference room, and expensive decorative pieces.

Privately, the management department referred to the accountancy department as "the greatest show on earth", and the latter referred to the management faculty as "pen pushers". On one occasion three of the management faculty had to go to the accountancy department to obtain the tax professor's clarification on the recent budget statements made by the Finance Minister. They had to wait in the department's waiting area for the faculty member who had just stepped out of his office. Dr. Basant who happened to come out at that time remarked jokingly to the waiting members, "You must find it pleasant to sit in soft sofas after sitting on hard chairs the whole day in your offices". When Dr. Anant heard about this, he issued a memo to all his faculty that they should try to use the intercom as much as possible in the future and not bother other department faculty with personal visits to their offices. Of course, everyone knew that the memo was the outcome of his resentment towards Dr. Basant's remarks.

Shortly after these incidents, the management department received a capital fund donation from one of its alumni, which would fetch an annual interest of Rs. 50,000. Mr. Ramesh Mehra, the donor was the President of a very prosperous, privately owned company. Mr. Ramesh Mehra, had received his M.S. degree in management 10 years ago, and had risen to the top within that time. He had always had high regard for the research-oriented faculty of the management department, and thought it would be an excellent idea to fund an "Endowed Chair" for the department. This would enable the management department chairman to bring in some international scholar of repute from time to time which would further enhance the prestige of the department. Mr. Mehra was not entirely guided by philanthropy alone since he was also considering the advantages to the company by claiming the donation as a tax write-off. The management department chairman, of course, gratefully accepted the offer.

As the company's P.R. people tried to gain publicity for the donation, the management department chairman and several members of the faculty were interviewed by the press. The ceremonial award of the "Endowed Chair" by the president of the company to the department chairman was nationally televised. The company and the management department were very much in the news for several days.

When Dr. Basant met Dr. Anant in the corridor one day as all this was happening, he congratulated Anant and said with a hint of sarcasm that it must be a great feeling to receive such a donation, especially since this would be the first time that they have generated funds from outside the University system. Dr. Anant thanked Basant and said that if the accountancy department needed any assistance in getting its faculty to publish, his faculty "will be glad to share their knowledge with them on how to go about doing research and publishing". After this episode the two chairmen did not even exchange greetings in the hallway. Faculty members from both departments started to make innuendos and snide remarks at each other in the classroom while lecturing to students. When all this reached the ears of the Principal of the College through the grapevine, he called the two department chairmen and gave them a severe dressing down. He reminded them of their unprofessional behaviour and their deplorable conduct. In effect, he asked them to "mend or end". Though things seemed to quieten down considerably immediately after this, students still heard the management department faculty insinuating about the accountancy department and vice-versa. The Principal was not unaware of what was happening and was pondering about how to resolve the problem once and for all.

Analyse the situation above and write up the case analysis.



## **PART FIVE**

# **Structural Dimensions of Organisations and Organisation Design**



PART FIVE

# Structural Dimensions of Organisations and Organisation Design



# 13

## Job Design

Most people who work for a living spend a significant amount of their waking hours at the workplace executing the requirements, duties and functions of their job. Their satisfactions and dissatisfactions at work are usually carried over to the home as well (Near, Rice, and Hunt, 1980; Sekaran, 1986). Our satisfactions at work thus contribute significantly to the overall quality of our experienced lives. How people react to work is a function of the "fit" or match among: (1) one's own personality predispositions and individual characteristics such as need patterns, tolerance for ambiguity, locus of control, work ethic values, abilities and skills; (2) characteristics of the job, such as, the amount of challenge it offers, the extent of autonomy one has in doing the job, the extent of skills used in performing the job, and the like; and (3) characteristics of the facilitating structures at the workplace such as appropriate work layout, reward systems, the extent to which training facilities are offered, and to what extent innovative risk-taking efforts of employees are encouraged and rewarded. If there is a good fit among these three sets of variables, favourable outcomes can be expected to accrue to the employees as well as to the organization. The employees will experience high levels of job involvement (as contrasted to job alienation), sense of competence (feeling of confidence in one's own competence), and job satisfaction (positive feelings towards the job), and as a result the organization will find itself having low absenteeism and turnover rates, and higher levels of productivity and performance. When we say that the Quality of Work Life (QWL) in an organization is high, what we mean is that the benefits mentioned above accrue to the individuals and to the organisation.

As we saw in Chapter 5 on Motivation, individuals derive both intrinsic and extrinsic rewards and satisfactions in their jobs. Herzberg was one of the first researchers to identify two sets of factors in the job that offer two different types of satisfaction at the workplace — he called them job content factors which are motivators, and job context factors which are satisfiers (see chapter 5). In this chapter, we will look at the different ways in which jobs can be designed as to their content and then examine the concept of QWL from the job design perspective. Obviously, if people differ in their needs, personality characteristics, and expectations at the workplace, there cannot be only one way of designing jobs that will offer a high QWL to *all* employees. This is where the fit between the individual and the job comes in. We will first examine the different kinds of jobs that can be designed and then examine the job-person fit.

### Job Designing: Simple to Complex Jobs

Fredrick Winslow Taylor was perhaps the first person to scientifically examine the structuring of tasks and how they should be done. Taylor appears to have taken a first cut at job design when he prescribed the steps and the motions with which coal should be shovelled by workers so as to result in greater productivity for the organisation and more earnings for the worker.



## Approaches to Job Design

Job design can be described as a deliberate attempt made to structure the technical and social aspects of work. Thus, job design encompasses both organizing the components of the tasks to be done, and the interaction patterns among the work group members in order to get the job done.

Jobs can be designed to range from highly simple to highly complex tasks in terms of the use of the workers' skills. The various job design techniques include *job simplification*, where jobs are broken down into very small parts as in the assembly line operations where a fragmented task is repeatedly done over and over again by the same individual; *job enlargement*, where two or more simple tasks are combined and the individual does the combined tasks, as in the case of a clerk who receives applications, distributes them, and ultimately files them; *job rotation*, where the employee is periodically rotated from one job to another within the work setting; and *job enrichment*, which offers a greater challenge to the workers because it requires the use of a variety of skills possessed by them. Each of these job design strategies has its advantages and disadvantages as described below. While all the four techniques relate more to the technical aspects of the job, the socio-technical approach to job designing discussed later in the chapter, takes into consideration both the technical aspects of the job as well as the social system in which the job is accomplished. The Autonomous Work Group approach to job designing stems from the socio-technical school of thought which is aimed at improving the quality of life at work.

### Job Simplification

Any assembly line job is a good example of job simplification. The speed of the worker is usually expected to be high because the worker is doing the same simple task over and over again and gains proficiency and deftness in doing the repetitive task. Thus, the productivity of the employee could become very high; because of this the company could earn higher profits. The training costs of the workers for simplified jobs is virtually nil and the jobs can be staffed with employees with very low skill levels. In addition, this would mean that they would not have to be paid much. Thus, job simplification could be very beneficial to the company. However, because the task is so very repetitious, the worker is likely to get bored quickly and easily and would hence tend to remain absent frequently. The quality and quantity of the output may also suffer because of the frustration and boredom that might be experienced by the worker. Also, to attract workers to stay on the job, the company may have to offer higher wages or more incentives. Thus, the company may not always reap the benefits of task specialization due to work simplification.

### Job Enlargement

Job enlargement simply adds more tasks to the job so that the worker has a variety of simple tasks to perform rather than doing just one task repetitively. The advantage of this is that it adds a little more variety. Also, some workers may enjoy doing a few simple tasks rather than one piece of repetitive work all the time or engaging in very complex tasks. The problem with job enlargement is that even it could become boring to some after a time and employees may still be dissatisfied.

### Job Rotation

Job rotation which involves moving employees among different tasks over a period of time has an advantage over job enlargement. Management does not have to bother with combining tasks, but at the same time, the worker does not get bored with doing one simple task over several years. The worker will now be engaged in doing different types of work during the space of a few weeks or months as the individual is rotated from one job to another. Thus, the company has the advantages of specialization of labour and a workforce which is trained in a variety of tasks, while at the same time, the workers — especially the not so highly skilled ones — continue doing different types of tasks from time to time which reduces their monotony at work to a considerable extent. The disadvantage is that workers who are looking for more challenging assignments may still feel frustrated performing different kinds of simple jobs.



## Job Enrichment

Job enrichment involves building in motivating factors into the job, giving the worker more responsibility and control over work, and offering learning opportunities for the individual on the job. It is in this context that Herzberg made a distinction between job context (environmental factors) and job content (built-in characteristics of the job). Enriched jobs are expected to offer more intrinsic rewards to the worker than any of the other job design strategies we have discussed so far.

## The Job Diagnostic Survey

Hackman, Lawler and their associates have been researching characteristics of jobs which would offer some kind of intrinsic rewards to workers. Hackman and Oldham (1975) developed the Job Diagnostic Survey (JDS) which provides measures for tapping several job-related variables. The job design theory formulated by them states that there are certain core characteristics in the job which will tap into certain critical psychological states of some types of workers which will then result in certain positive outcomes for the individuals and the organization. Their model is depicted in Figure 13.1 and explained in detail below.

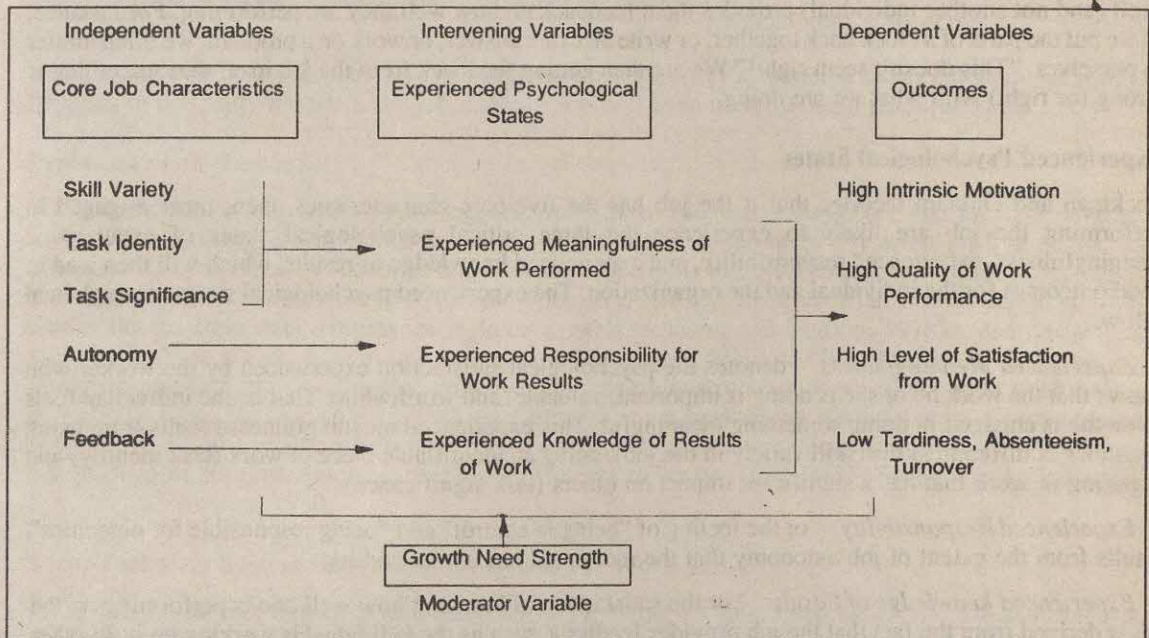


FIG. 13.1 Job Design Model of Hackman and Oldham

## Core Job Characteristics

There are five job characteristics which are central to providing potential motivation to workers. These are: skill variety, task identity, task significance, autonomy, and feedback from the job itself. Each of these factors are described below.

**Skill Variety** denotes the extent to which any particular job utilises a range of skills, abilities, and talents of the employees. Obviously, if a number of different skills are used by the employee on the job, the job is going to provide challenge and growth experience to the worker.

**Task Identity** indicates the extent to which the job involves a "whole" and identifiable piece of work. If the job involves beginning an assignment and completing it (for example, a painter painting Mt. Everest on canvas), then the individual can identify with the ultimate creation turned out by him or her and derive



pride and satisfaction from having done a good job. If, however, the worker has handled only a tiny part of the whole job, and seldom gets to see the completed product to which he has minimally contributed, (as in the case of an employee in an automobile assembly plant who just paints a piece of metal), it is not going to "turn him on".

**Task Significance** refers to the meaningfulness or significance of the impact that a job has on the lives of others — both inside and outside the organization. If what one does has an impact on the well being of others (such as a doctor's or volunteer's work), the job becomes psychologically rewarding to the person who performs it.

**Autonomy** reflects the extent to which the job provides an employee the freedom, independence, and discretion to schedule work and make decisions, and formulate the procedures to get the job done without interference from others. The greater the degree of autonomy, the more the person doing the job feels "in control". Since the worker has more freedom to perform the job, this autonomy will provide the worker with both the motivation to do the job and the satisfaction from doing it.

**Feedback from the Job Itself** indicates the extent to which the persons who are working on the job can assess whether they are doing things right or wrong even as they are performing the job. That is, the job itself (and not another individual) provides them feedback on how well they are performing. For instance, as we put the parts of a clock back together, or write an exam answer, or work on a problem, we often mutter to ourselves, "This doesn't seem right!" We are then getting feedback from the job itself that something is wrong (or right) with what we are doing.

### **Experienced Psychological States**

Hackman and Oldham theorize that if the job has the five core characteristics, then, those engaged in performing the job are likely to experience the three critical psychological states of experienced meaningfulness, experienced responsibility, and experienced knowledge of results, which will then lead to good outcomes for the individual and the organization. The experienced psychological states are explained below.

**Experienced Meaningfulness** denotes the psychological satisfaction experienced by the worker who knows that the work he or she is doing is important, valuable, and worthwhile. That is, the individual feels he or she is engaged in doing something meaningful. This experienced meaningfulness results from using a number of different skills (skill variety in the job), doing an identifiable piece of work (task identity) and engaging in work that has a significant impact on others (task significance).

**Experienced Responsibility** or the feeling of "being in control" and "being responsible for outcomes" results from the extent of job autonomy that the individual has while working.

**Experienced knowledge of Results** or the satisfaction of knowing how well one is performing on the job is derived from the fact that the job provides feedback even as the individual is working on it. In other words, an outsider does not have to provide feedback to the employee on how well he or she is performing the job; the employee knows the results of work performance experientially — that is, by one's own self.

As can be seen, all three experienced psychological states emanate from the intrinsic work rewards experienced by the employee, which then, according to Hackman and Oldham, will result in high intrinsic motivation, high quality of work performance, high levels of job satisfaction, high job involvement, and low absenteeism and turnover.

Hackman and Oldham however, qualify their statement that the core job dimensions will lead to experienced psychological states, which in turn, will eventually result in intrinsic motivation, performance, and involvement, by suggesting that these relationships will hold true only for such employees who have a high "growth need strength". Growth need strength refers to the need people have to learn, develop, and grow on the job. Not everybody has a high growth need. Some feel content to stay where they are and have no desire to develop and grow, or learn and advance in the organisation. Hackman and Oldham state that



only those who have a high growth need strength will experience the critical psychological states when the five core job characteristics are embedded in their work and then experience the positive outcomes. Those who do not have a high growth need will not be affected by the core job characteristics. That is, even if the job is enriched, involvement, satisfaction, and performance levels will not change.

To put it differently, we can consider the five core job characteristics to be the independent variables, the three psychological states as the intervening variables — that is, variables that surface as a function of the independent variables and occur at some point in time before the occurrence of the final outcomes. The outcomes or the dependent variables in this case, are intrinsic motivation, work performance, job satisfaction, job involvement, and low turnover and absenteeism. Growth need strength is the moderator variable which moderates the relationships among the independent, intervening, and dependent variable.

### **Motivating Potential Score**

Hackman and Oldham (1975) also came up with a formula for determining the motivating potential score (MPS) in each job. That is, the propensity of each job to be motivating can be assessed by using the formula:

$$MPS = \left( \frac{\text{Skill Variety} + \text{Task Identity} + \text{Task Significance}}{3} \right) \times \text{Autonomy} \times \text{Feedback}$$

It has to be noted that because of the multiplicative effects of the model, if either autonomy or feedback happens to be totally absent in the job, then the job will have no motivating potential at all.

### **Problems With the Model**

While the model is intuitively appealing, researches have found that the theory and the JDS have some flaws. For one thing, the measures developed in the JDS do not empirically establish five distinct core dimensions as theorized by Hackman and Oldham. Not only is this problematic in the United States where the measures have been originally developed (Dunham, 1976), but the same has been found to be true for data collected from bank employees in India as well (Sekaran and Trafton, 1978). Also, growth need strength has not always been found to be a moderator (see White, 1978). Because of these concerns, Hackman and Oldham's theory that growth need strength is a moderator and hence job enrichment will appeal only to workers with high growth need strength in the worksetting is a moot point. Current research, however, does indicate that job enrichment is significantly related to motivation, satisfaction, and sense of competence in both the American and Indian cultures (Sekaran, 1981, 1985; Sekaran and Martin, 1982; Sekaran and Wagner, 1980).

### **Socio-Technical System Design and the Quality of Work Life**

In all the job design strategies discussed so far, it is the technical aspects of the job that have been considered. The tasks can be organised in terms of vertical loading or job enlargement, and horizontal loading or job enrichment. These techniques do not pay any attention to the social side of the work system. The social aspects of work include such factors as individual and group influences, organisational culture, leadership and supervision, and other social factors in the work system. The socio-technical approach subscribes to the notion that in any work system, there is a social system operating in conjunction with a technical system — both of which have to be considered if the quality of worklife is to be enhanced. The technical system encompasses factors like technology, type of production processes, workflow systems, physical work setting, and complexity involved in performing the job. The advocates of the socio-technical system argue that technological determinism compromises quality of work life since it neglects the human aspects. Hence, they advocate that both the social and technical aspects of the job have to be simultaneously considered and jointly optimised while job design strategies are pursued.

The Tavistock Institute in England has largely been responsible for developing the socio-technical systems approach to job design at the workplace. One of the earliest successful experiments with this



approach was in the British coal mining industry. By introducing a team approach to work, enlarging the job scope, and increasing the incentives to workers, the Tavistock researchers demonstrated that productivity can be increased and mine accidents reduced (Trist and Bamforth, 1951).

The socio-technical approach to job design subscribes to the *joint optimization* of the technical and the social aspects of the work system (Davis and Charns, 1971). The concept is an outgrowth of attempts to integrate the foci of the behavioural scientists (who are more concerned about the feelings and experiences of people at work) and the industrial engineers (who are more concerned about the performance and productivity of people at work).

Some examples of the integrated approach include the work design in the Volvo automobile plant in Sweden where technological changes made were in consonance with the autonomous work groups that were simultaneously formed. Each group consisted of five to twelve workers who scheduled their own work, selected their own leader, and all in all, were monitoring themselves. Other socio-technical projects include the General Foods Plant in Topeka, Kansas, U.S.A., the coal mining industry in the U.K., and the Ahmedabad Cotton Textile Mills in India as early as in the 1950s (Rice, 1958). In the Indian textile mills, Rice and others looked at the technical and the social system jointly and found that the loom, which was the central technical unit, was managed by several teams who were getting in each other's way and hence were unable to coordinate their activities. By reformulating the teams, setting clear goals, and reorganizing the social system to coordinate with the technical system, remarkable improvements in output and decreases in damage to the cloth were obtained. Rice suggests that where a task can be assigned to a small group with internal leadership such that the group leadership is co-terminous with the regulation of the system of activities, both system efficiency and human satisfactions are likely to be higher (Rice, 1958, p.31).

In sum, it has been repeatedly shown that when the technology fits and complements the workers' needs, output as well as member satisfaction increase. In other words, when the needs of both the technical and the social system are simultaneously attended to, better performance results through the evolution of greater congruence between workers' needs and what is expected of them.

### Alternative Work Patterns

Currently, with the increase in dual-career families and single-parent families in the western world, new work patterns and schedules are emerging (Sekaran, 1986). Among these, are job sharing, flexi-time, flexi-place, and part-time work. These are briefly described below. For a more detailed description of their applicability see Sekaran (1986).

**Job Sharing** involves two persons sharing a job and being jointly responsible for the results of performance. Both are entitled to one salary and one set of perquisites. Such a job sharing arrangement would be attractive to doctors, lawyers, and teachers, among other professionals. When two people share one job, they have more free time to follow other pursuits, if they can live on their limited earnings.

**Flexitime** enables organizational members to work during the hours that are most convenient to them. Flexitime stipulates a core time when all members in the organization are expected to be at the workplace, and a flexible time chosen by the individuals when it is most convenient for them to be at work. For some, early mornings might be convenient, and for others, evenings would be better. Flexitime has the advantage of both full pay and flexibility. It is expected that in the U.S.A. more than 25 percent of the workforce will be on flexitime by the year 1990.

**Flexiplace** arrangements allow the employees to work in any place so long as the work gets performed on time and as per required specifications. With the increased capabilities and sophistication of computers and the advent of personal computers, it is possible that many kinds of jobs such as billing, accounting, graphic arts, and editorial types of work can be done at home. Flexiplace allows more flexibility to working



mothers and handicapped persons who can not only work at home but also at the times most convenient for them. To reap the benefits of productivity from technological advancements such as the micro computers, managerial viewpoints and attitudes must also change significantly. For instance, allowing personnel to work from home may be an idea that is not quite readily appealing to a lot of managers. But by giving it a try, at least on an experimental basis, organisations can assess the value of introducing such alternative work patterns as flexiplace and flexitime.

*Part-time* work allows people to work for less than eight (8) hours a day and thus facilitates professional—especially women with small children—to utilise their talents even as they are engaged in other activities during the rest of the day. Part-time work, however, has the same disadvantages as job sharing inasmuch as the remuneration and fringe benefits tend to be low; but it offers flexibility in how people want to invest their time. It also helps professionals to keep in touch with their fields during times when they can work only part time because of young children at home or for other reasons.

### Job Design and Quality of Work Life

The term “quality of work life” encompasses aspects of good experiences and advantages for employees, the organisation, and the society at large. Among the various indices of the Quality of Work Life, are such factors as job involvement, job satisfaction, sense of competence, job performance, productivity, organisational vitality, clean air with minimal pollution, and product safety. Let us briefly examine some of these which are directly related to the employees, and see how they are related to job design.

*Job Involvement* indicates the extent of people’s identification with or ego investment in the job. The more central the job is to the individual’s life, the more he or she gets involved in it, and therefore the individual spends more time and energy on the job. Job involved people are interested in turning out high quality work and are motivated to put forth their best efforts on the job. Research has shown that challenging jobs which have skill variety, influence employees to get involved with their jobs, (Sekaran, 1981). Correlates of job involvement are such personality characteristics as n. Achievement, and high work ethic values (Rabinowitz and Hall, 1977; Sekaran, 1981).

*Job Satisfaction* indicates the positive and affective responses of employees to their job environment. More specifically, job satisfaction indicates employees’ satisfaction with: 1. the nature of the work they do; 2. the quality of supervision they receive; 3. co-workers; 4. pay; and 5. promotional opportunities. Job satisfaction is correlated to job characteristics (skill variety, autonomy, etc.), and to job involvement. That is, when people are involved in their jobs, they are satisfied with their jobs, and when they experience more job satisfaction, they also get more job involved (Sekaran, 1977). Job stress decreases their job satisfaction (Sekaran, 1981), and job stress could result from role ambiguity, role conflict, role overload, or role difficulty.

*Sense of Competence* is a concept that we have already examined in chapter 5 on Motivation. Sense of competence denotes the feelings of confidence that one has in one’s own competence. By engaging in work that calls for a variety of skills, abilities, and talents, individuals gain mastery over their work environment. As workers engage themselves more and more in work activities, they acquire a greater sense of competence and experience higher levels of job involvement, because the more competent they feel, the more motivated they are to interact with the job and hence become more involved in it. The greater the involvement, the greater also is their sense of competence. Thus, job involvement and a sense of competence mutually reinforce each other. When both, sense of competence and involvement are high, naturally employees’ level of job satisfaction increases as well (Sekaran, 1986). See Figure 13.2 which depicts the relationships among job characteristics, motivation, sense of competence, and job satisfaction.



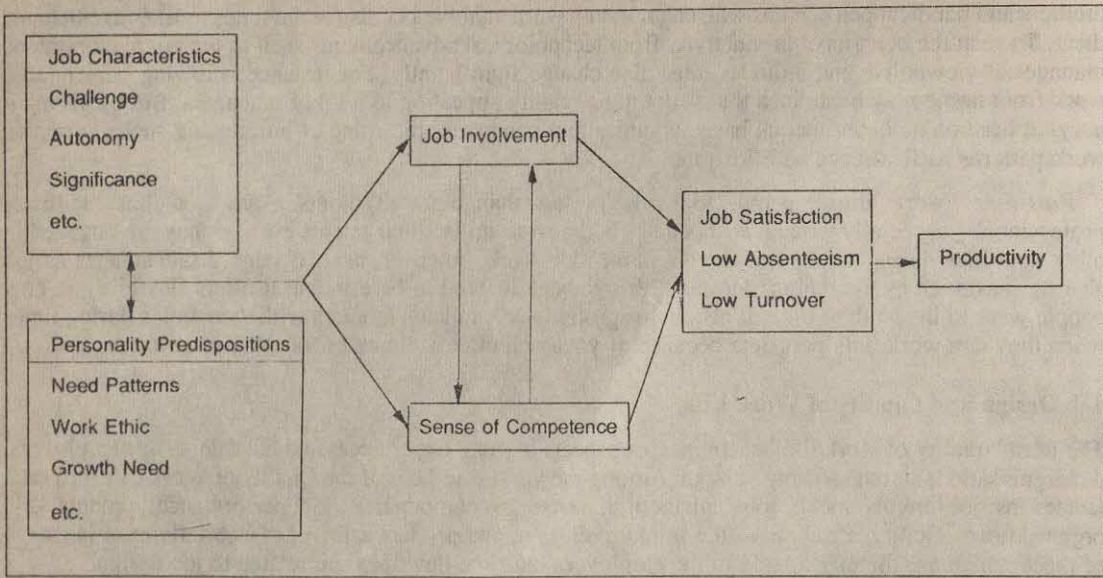


FIG. 13.2 Relationships Among Variables Relating to Quality of Work Life

*Job Performance* would also continue to improve as people's levels of involvement, competence, and satisfaction increase. In essence, all the four factors are significantly correlated. Though it may be controversial as to whether performance causes satisfaction, or satisfaction causes better performance, one can safely say that when job involvement, sense of competence, and job satisfaction, are all present, job performance is likely to follow as a natural corollary.

*Productivity* is to be expected when there is a fit among the predispositions of workers and the type of jobs they are assigned to do. Since job involvement, motivation, sense of competence, and job satisfaction ensue due to the congruence between the worker and the job, a high level of job performance results: both in terms of quality and quantity. When the same number of workers turn a larger quantum of outputs in the same amount of time, productivity increases for the organisation as well. When high quality, safe products and services are the outcomes, society itself benefits.

We thus see that good job designing results in a high quality of work life for individuals, the organisation, and the society. It is hence important that managers pay attention to job design. If the skills, abilities, experience, training, and personality dimensions such as tolerance for ambiguity, need patterns, and work ethic values match the types of jobs that individuals are placed in, a good quality of life will ensue. Whereas enriched jobs may appeal to the more achievement oriented individuals, repetitive jobs might appeal to individuals who have low levels of skills and training but have a high work ethic orientation. So, it may not always be beneficial to enrich all kinds of jobs. Moreover, certain kinds of routine, repetitive jobs which do not lend themselves to enrichment, have also got to be done in organizations. While robotics may be a way to get around manning dull jobs, some individuals might actually prefer to do routine jobs and earn some money. Thus, it is wise to take a contingency approach to job design taking into consideration the predispositions of the workers, the characteristics of the job, and the contextual factors. In a country such as ours where labour is plentiful in supply, job design adds a particularly challenging dimension to the manager's job.



## Summary

In this chapter, we discussed the importance of designing jobs. Job designing should take into consideration not only how jobs are structured but how such structuring should also be done with relevance to the human system and the contextual and environmental factors facing the organisation.

In the next chapter we will examine other structural aspects of organisations.

## Discussion Questions

1. If there is a good fit among one's personality characteristics and the job factors, the probability of the individual getting job involved, feeling internally motivated to work, and experiencing job satisfaction are high. Describe a job (explaining its attributes) which would match *your* personality predispositions and abilities that would result in the above outcomes for you.
2. "Job simplification may not yield the results that one would expect from it" — explain this statement giving examples.
3. A management-trainee usually spends the first one to three years rotating in various jobs. How is this different from the job rotation concept as discussed in the text?
4. How is job enlargement different from job enrichment? Which do you think is better?
5. Explain the Hackman and Oldham (1975) model of job designing. How would their model differ fundamentally from the sociotechnical approach? Which of the two approaches to job designing would you prefer and why?
6. Explain the concept of Quality of Work Life (QWL) in terms of job design, discussing the indices of QWL in some depth. Is it possible at all that routine jobs could offer a good QWL?
7. Why do you think the structure of rewards and risk support are important for job design to yield the expected results? You might want to integrate the material on Motivation for this.

## Exercise in Job Design

Below are 20 questions which ask you to rate this course in terms of certain core characteristics. First respond to each item by *circling* the number that you personally feel is the appropriate response to the question, using the scale below.

Strongly Agree	Agree	Slightly Agree	Neutral		Slightly Disagree	Disagree	Strongly Disagree	
<i>SA</i>	<i>A</i>	<i>SA</i>	<i>N</i>	<i>N</i>	<i>DS</i>	<i>D</i>	<i>StD</i>	
<i>S7</i>	6	5	4	4	3	2	1	
		<i>SA</i>	<i>A</i>	<i>SA</i>	<i>N</i>	<i>DS</i>	<i>D</i>	<i>StD</i>
1. Most of the things I have to do seem useless or trivial.		7	6	5	4	3	2	1
2. I usually know whether or not the work I do is satisfactory.		7	6	5	4	3	2	1
3. My course work requires the use of all the knowledge and skills I possess.		7	6	5	4	3	2	1
4. I have the opportunity to do challenging things for this course.		7	6	5	4	3	2	1



5. The course requires me to keep learning new things.	7	6	5	4	3	2	1
6. The work I do for this course is very meaningful to me.	7	6	5	4	3	2	1
7. I often have trouble figuring out whether I am doing poorly or well in this course.	7	6	5	4	3	2	1
8. I use a wide range of abilities in this course.	7	6	5	4	3	2	1
9. My course work can be done well by a person working alone without talking or checking with others to find if he/she is on the right track.	7	6	5	4	3	2	1
10. There is no opportunity to use my own special abilities in this course.	7	6	5	4	3	2	1
11. I can continually learn something worthwhile in this course.	7	6	5	4	3	2	1
12. The course requires me to use a number of complex or high level skills.	7	6	5	4	3	2	1
13. The work for this course provides me the chance to completely finish a piece of work which I can identify with.	7	6	5	4	3	2	1
14. The course itself is not very significant or important in the broader scheme of things.	7	6	5	4	3	2	1
15. The course work gives me considerable opportunity for independence and freedom in how I do the assignments.	7	6	5	4	3	2	1
16. The course denies me the chance to complete the work I start.	7	6	5	4	3	2	1
17. I wish I could do the assignments without the many instructions from the professor or group members.	7	6	5	4	3	2	1
18. I have no idea how all the pieces fall together in this course.	7	6	5	4	3	2	1
19. I wish I had more freedom to do the assigned work my own way in this course.	7	6	5	4	3	2	1
20. This course seems to be a waste of time.	7	6	5	4	3	2	1

The 20 questions tap the dimensions of Variety, Identity, Significance, Autonomy, Feedback, and Challenge. Now, score your responses following the steps below.

First, reverse the scores for items, 1, 7, 10, 14 and 16 to 20. That is, if you *strongly agreed* on these 9 items, you would score them as a 1 instead of a 7, and if you *agreed* you would score them as 2 instead of 6, and so on; this means that if you *strongly disagreed* on these items, you would score them as 7 instead of 1. Put your corrected responses for these items on the sheet itself.



Next add up your scores for the items listed below to assess the extent of your perceived core characteristics for this course.

Characteristics	Actual Scores on Items #s	Your Score
Variety	$3 + 8 + 10 + 11 + 12 = ( /5)$	=
Identity	$13 + 16 + 18 = ( /3)$	=
Significance	$1 + 6 + 14 + 20 = ( /4)$	=
Autonomy	$15 + 17 + 19 = ( /3)$	=
Feedback	$2 + 7 + 9 = ( /3)$	=
Challenge	$4 + 5 + 11 = ( /3)$	=

Now calculate the MPS for this course.

Get into groups of four and see to what extent your scores agree. Based on your discussions, redesign this course, if necessary.

## A Case Study

### The Unpredictable Ms. Sindhu Joshi

Ms. Sindhu Joshi has been working in the Reserve Bank for nine years now. When she joined as a clerk in the Exchange Control Department, she, like any other new clerk, was given routine work such as entering incoming and outgoing letters, indexing, and filing. During the first six months of her probationary period Ms. Joshi did her job adequately but after that she started to be rather careless in performing her work. Her cross-referencing of letters was either incomplete or inaccurate, she frequently misfiled papers, and a lot of papers were lying on her desk without being filed on time. Keeping the filing in arrears slowed down the disposal of applications by other clerical staff since they were constantly searching for previous papers. They were frequently annoyed to find that the papers they were looking for in the files were lying on Ms. Joshi's desk, waiting to be filed for over a month.

As the situation deteriorated Ms. Joshi was transferred to another section within the next few months. In the new section she was asked to deal with applications received from students for release of foreign exchange for study abroad — usually to the U.S.A. or West Germany. Each case was somewhat different and while the policies for release of exchange for studies were well laid down by the Government of India every year, all applications did not quite fit into the rules and regulations. Sometimes special interpretations and judgement calls became necessary as applications conformed to policies in most aspects but deviated in a minor way. Ms. Joshi who herself had a Master's Degree from Bombay University and would have very much liked to go abroad for further studies, took vicarious pleasure in dealing with the cases, putting up elaborate notes where cases did not quite fall into the guidelines of the bank. Her remarks were usually right on target and her new supervisor was very much pleased with her work. She had learnt her work very fast and expeditiously disposed off the applications as they were received. Ms. Joshi often came before work time in the mornings to organise her day's work, and often sat late to complete the work so that when the applicants came the next day, she had their papers ready. Such a high level of motivation was rather unusual in the bank's clerical employees. When time came for annual performance appraisal, her superintendent gave her a glowing evaluation and complimented her personally as well — something that was seldom done in the bank.

A year later, at the request of the superintendent in charge of the Foreign Securities Section, Mr. Patankar, Ms. Joshi was transferred to his section. Mr. Patankar had specifically asked for her because he knew she had done a superb job in the students section. He needed a good worker very badly since two of his clerks had suddenly gone on sick leave three weeks ago and with no substitutes made available immediately, the work in the section had piled up. The personnel department complied with Mr. Patankar's request and transferred Ms. Joshi, much to the annoyance of the superintendent in the students section.



The work relating to foreign securities was totally new to Ms. Joshi. She found it fairly interesting but was not exactly thrilled about dealing with cases pertaining to foreign securities held by Indians. "Who cares how many securities are held, where, how, and why?" she often muttered to herself. She was also quite irritated when her supervisor constantly checked on how she was doing and how many cases she still had on her desk. He offered her unwanted advice on which cases should be handled immediately and which ones can stand some delay. What also confused her was the fact that even though she dealt with the cases at the first step — that is, she put up the papers with all the references, citing the policies, and recommending a course of action (approval, rejection, or seeking further clarification) — she seldom saw the papers thereafter. All approved cases were handed over to another clerk who put the approval stamp on the duplicate copies of the letters and sent them to the superintendent for his signature; all rejected cases were sent to another clerk who wrote a standard memo of rejection, and yet another clerk wrote letters where further clarification/documentation was needed. So, once the original applications left her hands with her recommendations as to the course of action to be taken, she seldom saw them again. She had no way of knowing whether her supervisor agreed with her recommendations or had taken a different view of the matter, unless she read through the papers lying on the desk of the other clerks. She, of course, did not have the time for that.

After six months or so on the job, Ms. Joshi started coming to work late and also frequently absented herself from work. Her supervisor, who had great expectations of her, was very much frustrated by her tardiness and absenteeism and gave her a bad report when the annual appraisal time came once again. Ms. Joshi was glad to proceed on maternity leave in the next two months away from the "terrible" office.

**Required:**

Analyse the above case identifying the problem, the causes, and solutions.

## Phase II

When Ms. Joshi reported for duty six months later, she was posted in the Travel Section which dealt with release of foreign exchange for trips abroad — business, pleasure, medical reasons, etc. She was very quick in learning the different policies for the various types of travel and before long was as effective as she was in the student section. In fact, one of the complicated cases which went up to the Exchange Controller's level for a decision came up with the remarks that the controller wanted to see the clerk who had initiated the original notings. It was not until Ms. Joshi went into his office did he even realize that it was a lady. He complimented her on her perceptive and incisive analysis of the complex case and sent a recommendation that she should be promoted as Superintendent because he did not want to see such good brains being wasted at the clerical level. This was a totally unprecedented recommendation, and Ms. Joshi was promoted within the next two months to supervisory position. Since at that level she had to interface extensively with outside client systems, she got to know a lot of other bankers and businessmen. Her pleasantness and abilities always charmed the clients who frequently wrote letters of commendation to her boss expressing their appreciation of the way she helped them. Within the next two years she was promoted to an officer.

Ms. Joshi is now highly regarded by one and all. Whenever there is a doubt about the interpretation of the exchange control regulations with regard to any type of case, even very senior officers come to chat with her and take her advice.

**Required:**

How would you explain the change in Ms. Joshi's performance after her return from maternity leave?



# 14

## Structure, Size, Technology, Environment and Organisation Design

We have defined organisations as purposeful systems with several subsystems where people work together in a co-ordinated manner to achieve the goals of the institution. To obtain synergy, as discussed in Chapter 9, there should be division of labour as well as co-ordination of activities and efforts. These are achieved by structuring the system and the subsystems of the institution in a manner that would facilitate both division of labour and co-ordination. Structure indicates the way in which the job holders' positions, their duties or roles, and the lines of authority in the system are configured so as to attain the goals of the institution. Organisation charts depict the formal structures of organisations. That is, they portray the patterns of vertical and horizontal specialisation. *Vertical specialisation* denotes the formal authority, that is, the authorised power to get the job done. *Horizontal specialisation* indicates the division of work among those who have been given almost identical power to act.

Figure 14.1 shows an organisation chart for a manufacturing firm. Note the vertical lines of authority linking people in superior-subordinate positions and the horizontal positions indicating the different sub-units which perform different types of activities that need careful co-ordination.

### Different Organisational Structures

Organisational structure can take different forms. In other words, the vertical and horizontal lines on the organisation chart delineating the hierarchical division of labour and lines of authority and the horizontal linkages among the different units may be simple or complex. The degree of complexity depends on the environmental factors facing the organisation and the technology it uses. The size of the organisation also has an impact on the structural design of the organisation. We will discuss these in detail, later in the chapter.

### Mechanistic v. Organic Systems

Organisations can be structured as relatively rigid, formalised systems or as relatively loose, flexible systems. Thus the structure of organisations can range on a continuum of high rigidity to high flexibility. Certain types of firms which are influenced very little by technological, market, or product changes can profitably adopt the former type of structure, known as the *mechanistic* structure. A highly mechanistic system is characterized by centralised decision-making at the top, a rigid hierarchy of authority, well but narrowly defined job responsibilities especially at lower levels, and extensive rules and regulations which are explicitly made known to employees through written documents.



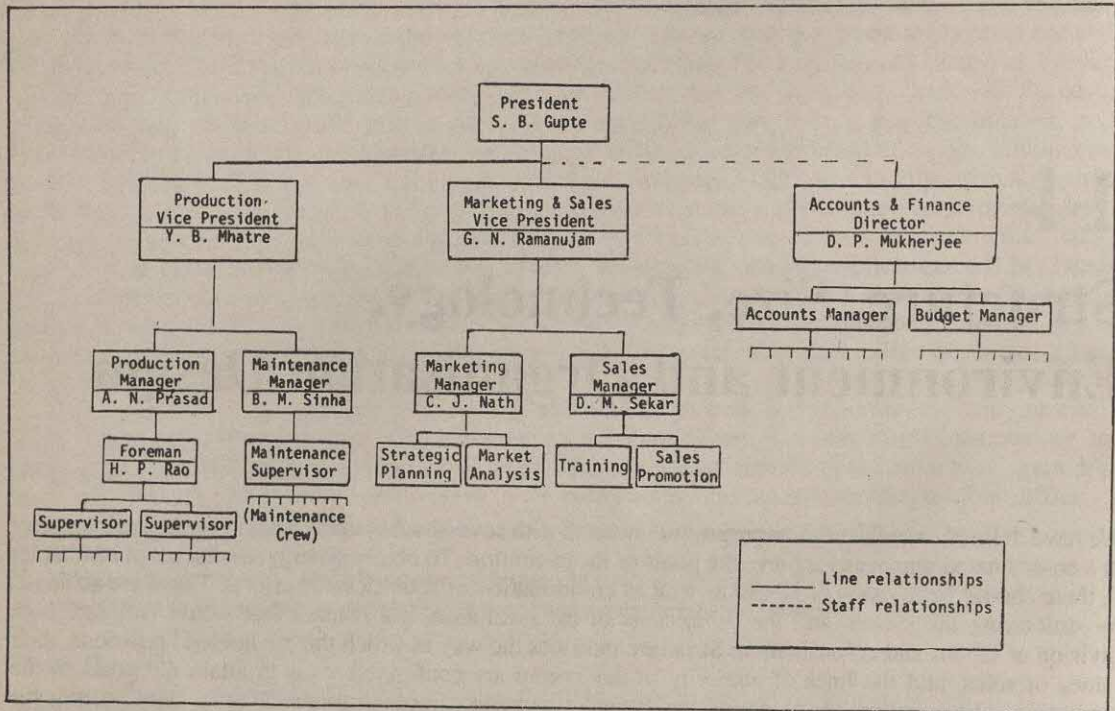


FIG. 14.1 Organisation Chart

Firms which face constant technological, market, or product changes, such as the computer industry, will have to adopt very loose and flexible structures that will enable them to adapt quickly to the changes taking place in their environment. Such a loose, flexible set up is known as an organic form of organisation. A highly organic system is characterized by decentralised decision-making which allows people directly involved with the job to make their own decisions, very few levels in the hierarchy with flexible authority and reporting patterns, loosely defined job responsibilities for members, and very few written rules and regulations.

### Classical Form of Organisation: Bureaucracies

The most common form of organisation is the classical bureaucratic or mechanistic structure. Today, the term "bureaucracy" connotes to many of us a huge, inflexible, impersonal system characterized by red-tape. However, Max Weber (1947), a German sociologist, envisioned bureaucracy as an ideal form of structure which operates on the basis of legal authority, logic, and order. He considered such a system superior to other types of organisations which functioned on the basis of past traditional history or on the individual whims of a charismatic personality who determined the fate of the organisation.

According to Weber, an ideal bureaucracy would provide equity (everyone being treated justly without fear or favour), would function in a goal-directed, rational manner and emphasize technical expertise discounting tradition or charisma. The system would be impersonal in the sense that rules and regulations apply to all and no one will receive special favours. Stated differently, everybody would enter the system and progress in it on the basis of their competence alone.



## Characteristics of Weber's Ideal Bureaucracy

Bureaucracies have certain special characteristics. Due to specialisation and division of labour, the lines of authority and responsibility within the system become very clear cut. Offices and positions in the organisation are arranged in a hierarchical fashion through which lines of authority flow. The members in the organisation are selected and promoted on the basis of their technical competence and they work on a fixed salary. All members are subject to rules and controls which are uniformly applied on an impersonal basis. Logic, order, and authority-based functioning are the essential characteristics of ideal bureaucracies.

## Dysfunctional Aspects of Bureaucracies

Critics of Weber's ideal bureaucracy point out the following dysfunctional characteristics of bureaucratic institutions. (1) Foremost among the problems is the rigidity of such systems. A very formal hierarchical system creates inflexibility and the system is unable to change if more flexibility is necessitated under unusual or special circumstances; (2) Rules tend to become ends in themselves and are not seen as means to achieve the goals of the organisation. This creates unnecessary delays which are perceived as "red-tape;" (3) Since specialisation of labour is over-emphasized, people tend to be attentive to their own interests to the exclusion of understanding the needs of others. This leads to conflicts among members; (4) Bureaucracies also tend to end up becoming political systems serving an elite corps of managers who possess high technical competence; and (5) Finally, extreme demands for conformity of members to the system can become detrimental to their emotional and psychological well-being.

Most organisations tend to be structured on the bureaucratic model, with attention being paid to minimising its dysfunctional characteristics. For instance, even though there may be many written (formal) rules, regulations and procedures, people within the system might bend the rules to get the job done quickly. So long as there is no abuse of such flexibilities, the system might not seek strict adherence to rules or expect extreme degrees of conformity from the employees. Thus, building on the strength of the bureaucratic form and minimising its dysfunctional features seems to be a useful way to structure some organisations.

## Components of Structure

Before we consider various structural forms, let us examine the essential components or dimensions of structure as well as certain concepts related to the understanding of how organisations are structured. Basically, structure can be described as the positioning of offices, roles, and activities within the organization. Structure thus prescribes the nature of tasks, the allocation of responsibilities to the personnel, and their reporting relationships. For the division of labour and co-ordination of activities to be effectively carried out, employees need to understand, among other things, the extent of their authority to make decisions, the operating procedures, and the rules and policies that govern their functioning as productive employees within the system. Most of these are made explicit through the formal or written documents that exist in the organisation. We will examine these and other structural components which are integral to understanding the different structural forms adopted by organisations under different circumstances. Effective structuring helps organisations to achieve their goals and facilitates employees to operate effectively.

## Centralisation v. Decentralisation

The terms centralisation and decentralisation denote the extent to which upper level managers allow employees at lower levels to make decisions. A highly centralised system is one where the vast majority of the decisions are made by top managers and those in the lower rungs of the ladder simply carry out those decisions. When decisions are made at the levels where the final action is taken, the system is highly decentralised. For instance, if a clerk in the Passport Office can make the final decision as to whether or not a passport can be issued to the applicant, the system will be highly decentralised. But in reality,



organisations are neither totally centralised nor completely decentralised. In other words, organisations are centralised or decentralised to varying degrees depending on how much of the decision-making responsibilities are delegated to different levels within the system. In banks, for example, junior officers are usually authorised to extend loans to clients up to a certain amount, say, Rs. 5,000, provided appropriate collateral is offered by the latter. Officers at senior levels are progressively empowered to extend higher amounts of loans based on other types of collateral and/or their good judgement. This ensures delegation of authority with some checks and balances in the system. The more decision-making is concentrated at the higher levels of management, the more centralized the system becomes. The more top management delegates the authority to make decisions to lower levels in the organisation, the more decentralised the system would be.

*Delegation* simply refers to how much authority is given to each job and job holder in the organisation. As stated above, in decentralised organisations individuals at lower levels in the system are authorised to make decisions pertaining to their job. The extent of authority delegated to positions at various levels within any organisation can be relatively high or low. Delegation helps employees to gain more expertise and enables them to move up more rapidly within the system. However, for the delegatee to effectively fulfil his or her delegated responsibilities, the individual should be provided with good training — something that most managers do not effectively offer to subordinates for lack of time or inclination or ability. These, and the fact that delegation of authority to lower levels to make decisions does not absolve the delegator from the responsibility or consequences of the action taken by the subordinates, hinder most managers from delegating effectively.

Relatively higher degrees of centralised decision-making are more characteristic of bureaucratic (or mechanistic) organisations and relatively higher degrees of decentralised decision-making are more typical of organic systems. Greater decentralisation offers employees higher levels of satisfaction since it allows them some autonomy to respond to situations quickly. It also helps to provide employees with more effective on-the-job training. However, centralization is more effective for organisations if there is a need to exercise greater control within the system. For example, a firm that incurs losses in three consecutive years might want to have a tight rein on budgets and hence centralise the financial expenditures to a very high degree. Centralisation is also conducive for achieving efficiency and effectiveness in the short-run and also for ensuring consistency in decision-making throughout the system, especially where there are several branch offices.

### **Formalisation**

Formalisation refers to the extent to which written rules, regulations, policies, and procedures exist in the system. *Policies* are guidelines for action in keeping with the objectives of the company. Policies offer a broad indication of how an activity can be performed or a goal accomplished. Policies, which are mere guidelines for action, allow a certain amount of latitude for managerial discretion while taking action. In other words, they are not as rigid as rules and procedures. Most organisations, for instance, have policies on recruitment, training, and promotion of employees. These offer guidelines for managers to recruit, train, and promote individuals. Managers have leeway to make such adjustments as become necessary in enforcing the policies using their good judgement. As an example, the personnel manager can extend an eight-week training session by two or three more days when trainees have to be apprised in detail of certain imminent technological changes that are to be introduced in the system.

*Rules*, on the other hand, prescribe codes of conduct that need to be strictly enforced. Quite often, rules are negatively stated. For instance, one rule in an organisation could be that "nobody can come to office late more than two times during a month. If they do, a day's casual leave will be taken off on the third day they are late." Obviously, such rules are not liked by employees who then often try to "beat the system." However, rules are necessary for people to understand what they can and cannot do or how they ought or ought not to behave.

*Procedures* specify how the jobs or tasks are to be done. They prescribe the steps to be taken to complete the job. For instance, a Procedures Manual will indicate to a new operator how he should proceed with his task of assembling certain components of a car. There are also procedures for filing grievances or taking



disciplinary action. Procedures are thus meant to help employees in the system to understand how to proceed with the job on hand.

Rules, policies, and procedures relieve managers of the necessity of directing their employees in every small detail and enable them to concentrate on the managerial functions of planning and organising. In other words, rules, policies and procedures help managers to "manage by exception." That is, managers need not waste their time and energy paying attention to the daily routine aspects of the workplace. Only those matters that fall beyond the purview of what is stated in the written documents, that is, the exceptional cases, will be brought to the attention of the manager for decision-making. Thus formalisation of rules, policies, and procedures helps managers to focus their energies on important managerial functions, while at the same time, it clearly indicates to the employees appropriate steps to be taken to get their jobs done, courses of action to take, and codes of conduct to adhere to. Too much formalisation can, however, be perceived by employees as operating in an impersonal and rigid manner. Bureaucratic or mechanistic structures are more formalised than organic or flexible structures. Less formalisation allows for more varied actions and behaviours.

### Specialisation

Specialisation refers to the extent to which division of labour exists on the basis of the jobs being broken down into tiny components and repetitive procedures. For instance, the manufacture of cars is highly specialised. Every assembly line operator has a specific fragmented, well-defined piece of work to do. Performing the same repetitive tasks over and over again, the individual gains expertise quickly and becomes very efficient in performing the task. In due course of time, however, the individual may become bored and apathetic towards the job. At the other extreme, individuals working in the area of research and development (R & D) departments have very ill-defined tasks where efficiencies in operation cannot be obtained since tasks and operations cannot be broken down in a pre-determined manner. Here specialists may be performing the job, but specialisation of functions in terms of division of labour is minimal. The challenges on the job are great, but efficiency of operation is generally low.

### Standardisation

Standardisation refers to the extent to which repetitive and routine tasks are codified and procedures are formalised. In manufacturing companies, standardisation of products and parts are very common. Standardisation helps standard operating procedures to be developed which helps new employees to learn the job quickly and easily. Standardization lowers costs and offers economies of scale in operation. Too much standardization, however, precludes any flexibility that may be needed to change style or substance. Mechanistic organisations have more standardisation of products and procedures than organic systems.

### Stratification

Stratification refers to the extent of egalitarian interactions among members at various levels of the hierarchy. In bureaucratic organisations where there are several clear cut levels of authority, interactions among the staff at the various levels will be minimal except for those between the superior and the immediate subordinate (s). In highly stratified organisations, even places such as the cafeteria and rest rooms could be separately marked for "officers" and (other) "employees." There is usually more stratification in bureaucratic organisations than in other more organic forms of structures. Stratification inhibits free-flowing superior-subordinate interactions even within the work setting. Creative ideas that employees might have, thus do not come to the attention of the superiors. Too much stratification also fosters the "we-they" feeling among members at various hierarchical levels.

Cultures which are high on the Power Distance Index such as India (Hofstede, 1980), are likely to have higher levels of stratification than cultures which are low on the Power Distance Index, such as the U.S.A. The Power Distance Index indicates the extent to which members in a society feel comfortable with the phenomenon of power in institutions being unequally distributed. In cultures with a large power distance, power is distributed unequally in the system with highly centralised decisions being made by a powerful



group at the top. Such a system will work well in some cultures because individuals at lower levels feel a need to be dependent on superiors. In cultures where the Power Distance is low, the authority to make decisions is more equally distributed at the various levels in the system and decisions are usually made at the level at which the action is taken.

### Tall and Flat Structure

Tall and flat structures depict the extent to which vertical structural arrangements exist in the organisation. In tall structures, the number of levels in the hierarchy are considerably more than in flat structures. In tall organisations, the number of subordinates supervised by a boss is relatively small compared to that in flat structures. This enables the superiors in tall organisations to exercise tighter supervision and control over the activities of their subordinates.

### Span of Control

Span of control is the term used to refer to the number of subordinates supervised by a superior. As we have just seen, the span of control and the tallness or flatness of an organisation are closely linked, just as decentralisation and delegation are. Bureaucratic systems are tall structures with many hierarchical levels and lines of authority and with a narrow span of control. Organic systems usually have a flat structure with fewer hierarchical levels and a wide span of control.

### Line and Staff Functions

Authority flows in organisations are based on the distinction made between line and staff functions. Line functions are those that directly relate to the achievement of the fundamental goals of the institution, whereas staff functions relate to those activities that support the line functions in achieving the tangible goals. For example, the production and sales departments in a manufacturing firm perform line functions since they are directly involved in producing and selling the product. These activities directly contribute to the profits of the firm. On the other hand, the Research and Development Department or the Accounting or Finance Departments perform only advisory and supporting functions. These activities do *not directly* contribute to the profits of the organization, though they are essential to the effective and smooth functioning of the system. Organisation charts indicate the line functions through solid lines on the charts and the staff functions through dotted lines as indicated in Figure 14.1. Staff departments report directly to higher levels of management and they have no authority over line managers. Although they are meant to facilitate the line functions, staff people are often considered a "nuisance" by line managers. Staff personnel often feel frustrated because their advice is not always heeded by line managers and they feel powerless to exert pressure on line personnel to follow their suggestions or advice.

The essential characteristics of structure in mechanistic and organic systems is depicted in Fig. 14.2.

Mechanistic System	Organic System
High Degree of: Centralisation Formalisation Specialisation Standardisation  Stratification  Narrow Span of Control  Tall Structure	Low Degree of: Centralisation (i.e. more decentralisation) Formalisation (i.e. very few written rules) Specialisation (i.e. tasks ill-defined) Standardisation (i.e. no specification of how things ought to be done) Stratification (i.e. more egalitarian)  Broad Span of Control  Flat Structure

Fig. 14.2 Characteristics of Structure in Mechanistic and Organic Systems



## Departmentalisation

As the number of specialised jobs and functions increases in an organisation, it becomes almost impossible for one manager to co-ordinate all jobs effectively. It then becomes necessary to group common activities together in a way that several managers can each manage their groups performing a common set of activities. For instance, all production activities can be grouped together and become the responsibility of the manager in the Production Department. A key issue for careful consideration while creating departments is the determination of the basis on which the groupings of tasks, jobs and activities are to be done. Three common forms of departmentalisation or grouping of jobs, tasks, and activities, each of which is useful and appropriate under certain circumstances, are discussed below.

## Functional, Product and Matrix Structures

The three forms of departmentalisation most commonly contemplated by organisations are Functional, Product, and Matrix structures. Instead of adopting a pure functional or product form, many organisations opt for a hybrid between the two. These are described below.

### Functional Structure

Organisations can create positions and departments on the basis of specialised and segregated activities and functions such as production, sales, engineering, marketing, and so on. This grouping of activities is based on common skills, knowledge, and expertise that each function calls for. When departments are formed on this basis, the organisation has a functional structure. Figure 14.3 depicts a functional structure.

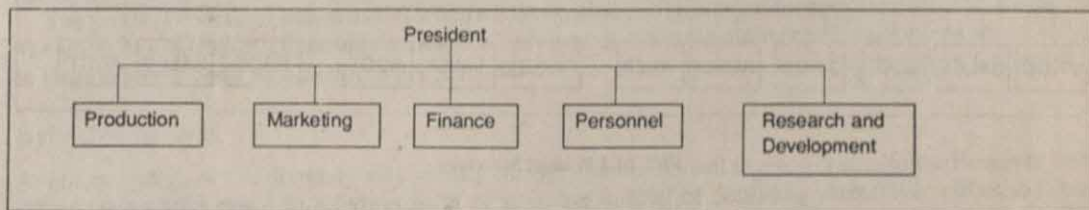


FIG. 14.3 Functional Structure

### Advantages and Disadvantages of the Functional Structure

Functional departmentalisation has several advantages.

1. It facilitates clear task assignments to individuals consistent with their background and training.
2. It fosters efficiency since people in each department are specialists in their individual areas and share expertise among themselves to get the work done efficiently and effectively.
3. People are clear about their roles and reporting relationships. There is thus no role ambiguity.
4. Economy is achieved within each function since duplication of facilities is avoided as in the case of product structure, which we will discuss later.
5. The functional structure promotes the development of in-depth skills since employees are exposed to a range of functional activities.

There are also some disadvantages to the functional structure. Because specialists in a narrow field work with each other in a collaborative mode and on a continuing basis, their perspective of the organisation may not extend beyond their own departmental activities, needs and concerns. Thus they may identify themselves with their departments to the exclusion of identifying themselves with the organisation as a whole and its culture. Communication across the other departments also becomes difficult for the same reason and conflicts are likely to arise among the various units. It is easy to see that this structure is very slow to respond to environmental changes which call for quick co-ordination between or among departments.



In essence, functional departmentalisation groups people by common activity with each functional department contributing to the organisation. Members tend to identify with the functional department they are in. Functional structures are most effective when things are relatively stable in the environment and day to day operations are not subject to changes because of the changes taking place in the market or technological or other relevant environments.

### Product Structure

As companies grow and their product lines are expanded, it is no longer feasible for one Production or one Sales Manager to manage all the product lines. In such cases, self-contained departments or divisions are created with responsibilities attached to specific products or product groups. For instance, there could be a Soap Division, an Oil Division, a Perfume Division, a Cardboard Division, a Food Products Division and an office Products Division, and other requisite facilities. Each division is a profit centre and has to prove viability to continue as a division. Figure 14.4 shows an organisation with a product structure.

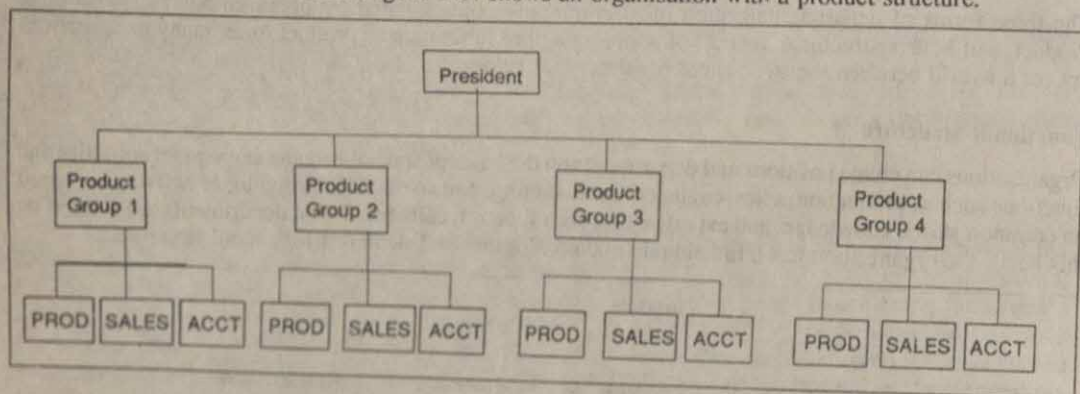


FIG. 14.4 Product Structure

The term product structure is used here in a generic sense because the same kind of divisional departmentalisation can group individuals and resources by services, customers or clients, and geographical territories. For instance, a large automobile service station can have different departments which service cars, rent cars, rent spare parts and accessories, and provide a car wash service. An example of a client-oriented organisation structure can be found in the University system which has different units educating students who want to specialise in individuals disciplines such as Business, Psychology, Literature, and so on. The loan department of a bank could also be organised to cater to different groups of clients: industrial, commercial, agricultural or individual loan applicants. Large, geographically dispersed organisations dealing with national and international markets could departmentalise by territory. For instance, four separate divisions of a manufacturing firm could cater to the regional, national, South East Asian, and all other international markets, respectively. Each division will be an individual profit center and held responsible for the efficient running of its various activities. In sum, the product structure allows self-contained, profit-producing, decentralised departments or divisions to function independently. These departments or divisions can be formed on the basis of products, services, clients systems, or geographical territories served by the organisation.

### Advantages and Disadvantages of the Product Structure

The product structure has several advantages.

1. It has high levels of adaptability and flexibility in meeting the demands of external groups or client systems.



2. Changes in the environment as they relate to individual products or services are quickly spotted.
3. Client satisfaction is usually high since they are able to contact the appropriate divisions who respond promptly to their needs.
4. Co-ordination among the various units within each department or division is fairly easily facilitated.
5. It requires each product or service to be self-sustaining and contribute to the overall profits of the organisation; hence each profit-centre has to be on its toes without being prodded by a centralised administration. This leaves top management free to perform important planning and environmental scanning functions.
6. It facilitates diversification and expansion of skills and training for employees.
7. Top management can foster friendly competition among the units.

The disadvantages of the product structure are:

1. Economies of scale are lost when each product division has to duplicate the various functional units such as production facilities, sales force, and the like.
2. People tend to identify with the product or service and not with the organisation or its overall goals.
3. Co-ordination across product lines could become difficult.
4. Conflicts are likely to arise when departments engage in developing joint products which raises concerns about transfer pricing.
5. The organisation has to recruit a large number of technically and managerially qualified personnel to serve the various product lines. This could lead to high personnel search and recruitment costs.
6. Career advancement of specialists is impeded since it would be more difficult for individuals to move out of their departments.

The product structure is most useful when the competitive environment for each product line is dynamic. The goals of innovation, client satisfaction, and carving out and maintaining market segments are all served in large organisations with multiple products, services or client systems, through the product structure.

### Hybrid Structures

As companies grow and diversify they usually change from functional to product structures. However, most large corporations resort to a hybrid form of structure instead of confining themselves either to a pure functional or a pure product structure. This helps them to capitalise on the strengths of both forms while avoiding the disadvantages in both. Here, the functions that are central and critical for each product or market are decentralised, but some other functions such as legal services and employee relations are centralised and located at the headquarters. An example of a hybrid structure can be seen in Figure 14.5.

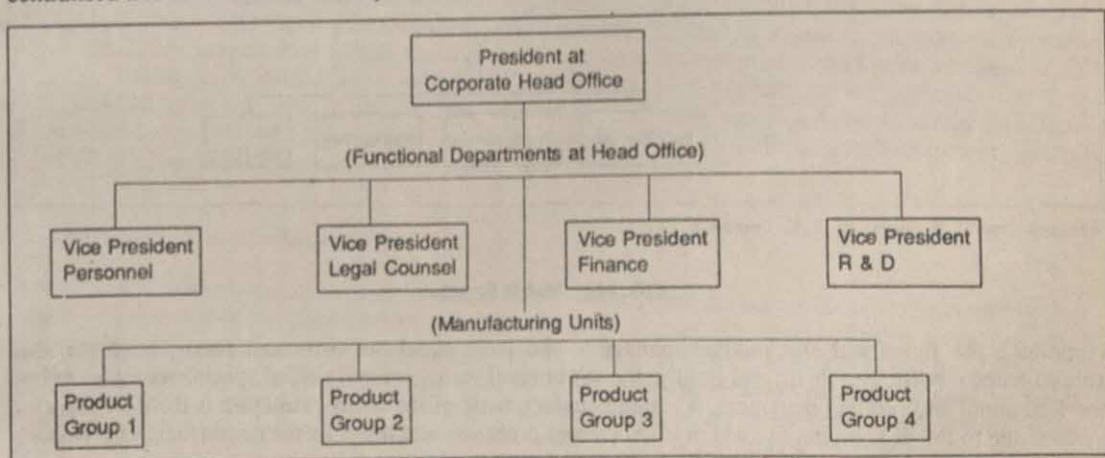


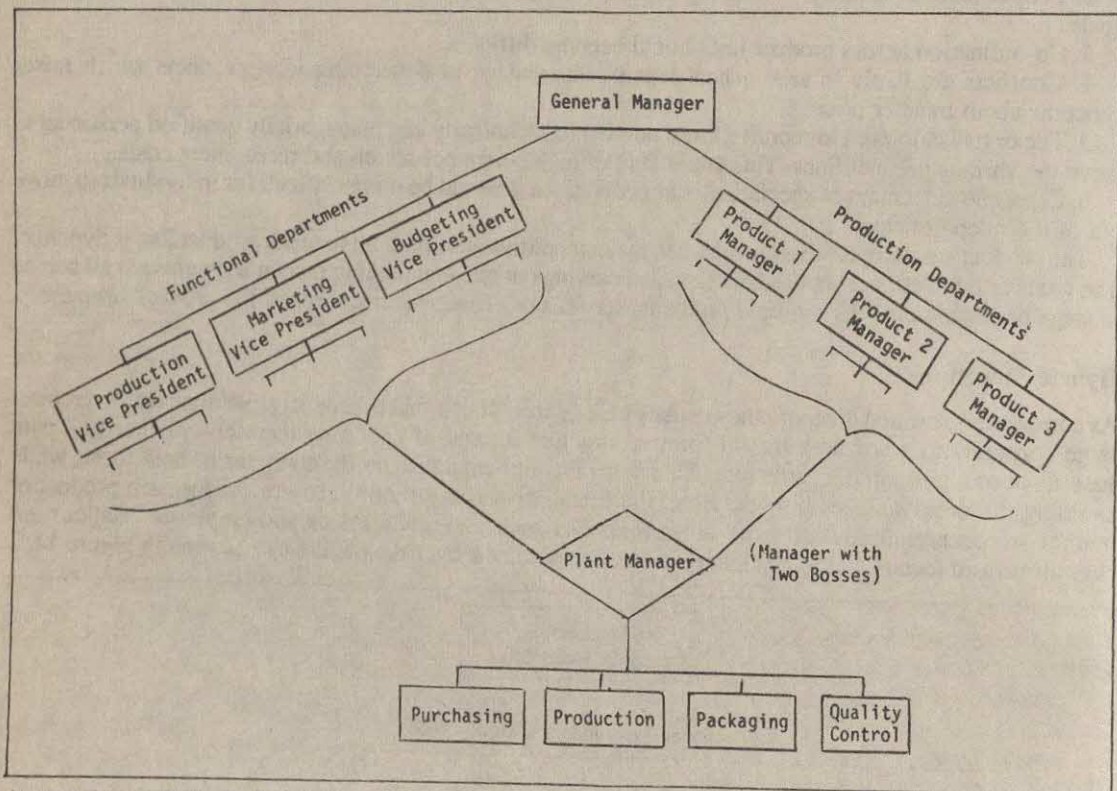
FIG. 14.5 Hybrid Structure



In sum, large modern companies with diversified products strike a balance between pure product and pure functional structures and resort to the hybrid system where all functions needing close co-ordination are retained within the department or division, and activities that are common to the company as a whole are functionally organised at central headquarters.

### Matrix Structure

In an extremely dynamic environment where technological and product changes occur at a fast pace, co-ordination between the functional departments and the product departments becomes very critical. Here, functional and product activities need simultaneous attention since one sector of the environment might call for high functional technical expertise while the other sector might call for product innovation within each product line. In such a case, there is a high need for both vertical and horizontal coordination. A response to this situation is the matrix structure which is depicted in Figure 14.6 As can be seen every matrix has three sets of positions and role relationships. A top manager heads the operation balancing the dual chains of



Adapted from S.M. Davis & P.R. Lawrence (1977)

**FIG. 14.6** Matrix Structure

command; the functional and product managers who have equal authority and status, have the same subordinates reporting to them; and finally, the lower level managers and skilled specialists report to both the functional and product managers. A unique characteristic of the matrix structure is the dual reporting system due to the dual hierarchy, which often creates problems and tensions for employees. The violation of the unity of command causes stresses and conflicts within the system.



Project teams working on specified products or projects to be completed within specific time horizons and having the obligation of simultaneously meeting several criteria of success such as customer satisfaction, technical efficiency, and cost effectiveness are examples of matrix systems at work. For detailed discussions on Matrix, see Davis and Lawrence (1977).

### *Advantages and Disadvantages of Matrix Structures*

The principal advantages of the matrix structure are:

1. It is the only means of achieving the necessary co-ordination to meet the dual needs dictated by the environment which seeks a competitive edge both in the technical and product areas.
2. It uses resources efficiently and with flexibility by utilising them across products.
3. It provides opportunities to develop skills for co-ordinating and integrating different functional and product type activities.
4. It provides training to become conversant with both technical and product-related issues.
5. Cross-fertilisation of ideas occur as specialists interact with each other and opportunities for innovation increases.

There are several disadvantages to the matrix structure.

1. Due to dual reporting relationships and the overlap in the authority and responsibility of managers, conflicts frequently arise. Employees often have to encounter confusing and stressful situations.
2. It requires that managers should have had or ought to be given extensive training in co-ordinating activities, and should possess good interpersonal skills.
3. The system will not operate effectively unless employees understand why the workplace design is structured the way it is and why collegial rather than conflictual relationships need to be resorted to.
4. It is time consuming for managers who have to meet frequently to resolve misunderstandings and conflicts as they arise at the workplace.

Matrix structures which are difficult to manage are warranted only under certain critical circumstances. Matrix structures are helpful when the environmental pressures call for a very close co-ordination between the functional and product departments where dual hierarchies are necessary within the system. Matrix design is also to be considered when organisations facing fast-changing environments are also encountering severe financial constraints. Where attention has to be paid to differentiated products, markets or customers, where there is high variability and uncertainty in the environment where time horizons for the products vary, and where technical and technological innovation are necessary criteria for success, the matrix system is effective.

Thus far, we have examined the dimensions of structure and the different structural forms that an organisation can take. Whereas the functional structure is more mechanistic in nature, the matrix structure is more organic. The organic structure as we have seen, is flatter with less hierarchical levels, a broader span of control, and with decentralized decision-making. Mechanistic structures have a relatively taller structure with several hierarchical levels, a narrow span of control, and with centralized decision-making. Both mechanistic and organic structures can be effective for organisations, depending on various factors such as size, technology, and environment. We will now examine these factors.

### *Size, Technology and Structure*

The patterns of specialisation, control, co-ordination, and other structural components are, at least in part, determined by the size of the organisation and the technology it uses. As the size of the organisation gets bigger in terms of either the number of employees, or its assets, or both, problems begin to develop in terms of control mechanisms. There could be a tendency to create more hierarchical levels with narrower spans of control or seek ways to evolve innovative mechanisms for better co-ordination and control. Blau and Schoennerr (1971) indicate that structure becomes more complicated as the size of the organisation increases.



Structure is also dictated by the patterns of work flows in the system. The term technological imperative echoes the school of thought that believes strongly that an organisation, in order to be successful, should arrange its internal structure to meet the demands of its technology and its work flow.

### Technology

Technology refers to the knowhow and techniques used to transform inputs into outputs. Inputs as we know, comprise all the resources (raw materials, personnel, money, facilities) that are necessary to get the job done. Outputs are the end-products of the organisation, whether it is in the form of goods or services. Everything that goes into the process of transforming the inputs into outputs can be referred to as technology. Technology has been classified in different ways, and we will here examine Thompson's (1967) and Woodward's (1965) schemes.

#### *Thompson's Classification of Technology*

Thompson viewed technologies as either long-linked, mediating, or intensive. This classification is based on the extent of specialised expertise necessary to perform the job and the degree of interdependence among the job performers. In the *long-linked* technology, the task is usually broken into a number of sequential and interdependent steps, where the output of one unit becomes the input of the next. The automobile industry with its assembly lines is a classic example of the use of long-linked technology. High-volume output and the efficiency necessary to achieve the goal would dictate the use of the long-linked technology. Sequential interdependence between the contiguous units is a hallmark of long-linked technology.

Long-linked technology calls for a mechanistic structure with high levels of specialisation, standardisation, and formalisation. The structure is relatively inflexible and does not lend itself to fast adaptations to changes that may occur in the environment.

*Mediating* technology describes the transformation process that links different parties who need to be brought together in a direct or indirect way. For instance, the telephone industry links two parties who desire to connect with each other through their voice. Banks use mediating technology to lend money to borrowers by taking money from depositors. Real estate agents and stockbrokers also use mediating technology to link parties who have something to offer, with those who need them. Co-ordination is achieved by organisations using mediating technology by pooling resources and information.

*Intensive* technology is used when a group of specialists are brought together to solve complex problems using a variety of techniques. The hospital is a good example of a system using intensive technology. Here, the complex ailments of patients cannot be treated without obtaining different types of information using a team of different specialists. The patient is first diagnosed by the various hospital units for blood pressure, blood tests, sugar level, chest X-rays and the like. Then, based on the nature of illness diagnosed and the level of its complexity and seriousness, the treatment starts. In other words, the patient goes through multiple steps within the system before the problem is solved. Standard operating procedures are not possible to be developed for this technology because of the uniqueness and complexity of each situation. Co-ordination of the different activities is achieved in the system primarily through mutual adjustment among those engaged in solving the problem in the different units. The structure has to be fairly flexible to adapt to emergency situations.

We can see that mechanistic structures would work well for organisations using long-linked technology, organic structures would fit systems using intensive technology, and organisations using mediating technology would do well to adapt a structure that is neither too mechanistic nor too organic.

#### *Woodward's Classification of Technology*

Joan Woodward classified technology according to the processes used in turning out the products. Researching 100 British manufacturing firms, she found that organisations used basically one of three types



of production processes — small-batch, mass, or continuous. She also found that different types of structures were more appropriate for particular types of processes and whenever there was a fit between the process and the structure, organisations were more effective. We will now discuss these ideas.

*Small Batch or Unit Production* technology is used when a variety of products are made to suit the individual needs of customers to meet their specifications. Here, though a lot of equipment and machinery may not be used, individual craftsmanship is called for, and the organisation has to be very customer oriented. Tailoring shops are good examples of the unit or small batch technology.

*Mass Production or Large Batch* technology utilises assembly-line type of operations and processes to produce identical types of goods on a large scale. This technology is akin to Thompson's long-linked technology. Machinery and equipment are largely used with very little individual initiative or specialised skill being called for.

*Continuous or Process* technology facilitates the continuous flow of substances such as liquids and gases and the continuous or intermittent production of end-products. Here the entire process is mechanised but without any manual starting or stopping of the machines and is thus a gigantic step beyond the mere mechanical assembly-line type of operation. The organisation using this process has a high degree of control over the outcomes which are predictable. Oil refineries and chemical plants use this technology. Although in using this technology, the mechanical interventions are kept to a minimum, the organisation has to be extremely sensitive to the technological and market changes taking place in the environment and must control the quality and quantity of the output vigilantly.

### Match or Fit Between Technology and Structure

In examining the success of firms in terms of their profitability and market share, Woodward found that organisations using mass production were more successful when they had a tight, mechanistic structure. Firms using unit or batch production technology and those using continuous-process technology were more successful when they had a loose, organic structure. Thus Woodward stimulated us to think in terms of taking contingency approaches to effectively structuring and designing organisations. The following discussions on environment further reinforce the contingency approach.

### Environment

We have examined the notion of organisations as "open systems." That is, organizations do not exist in a vacuum but interact with their external environment from which they draw resources and information. In a very dynamic environment where rapid changes take place, the organisation interacts with its external environment on a continual basis in order to ensure that needed changes are incorporated within the organisation as quickly as possible to face competition in order to survive and to grow.

The external environment of an organisation can be understood by looking at its primary external constituencies or domains which influence its operations in a significant way. Some of these domains include: (1) Suppliers (of raw materials, etc.); (2) the Labour market which provides the human resources; (3) the Stock market as well as the financial markets which provide financial data and resources; (4) Consumers who determine the sales volume; (5) Technology which determines the techniques of production used; (6) Economic environment which determines the level of operations; (7) Government which prescribes what can or cannot be done with respect to taxes, depreciation, mergers, pollution, etc.; (8) Culture which shapes the values, beliefs, and the work ethic of the employees; and (9) Industry which determines the level of competition that the organisation faces. Thus, most organisations face nine environments. See Daft (1983) for detailed discussions on each of the environments.

Not all environments are equally important or significant for all organisations. For instance, in a volatile environment such as the one the computer industry is presently facing, the *technological and the industry environments* assume the greatest significance. A computer manufacturing firm has to be highly vigilant



with regard to what technological changes are taking place and how the computer industry, in general, is coping with the changes. If it does not, it will soon be out of business. The same is, however, not true for the Indian Cotton Textile Mill which is operating in a fairly stable environment. It does not encounter changes in technology and the demand seems to exceed supplies which reduces any pressures to aggressively compete with other producers. Here, the technological, market, and the industry environment are all relatively stable.

The characteristics of stable and turbulent environments facing organisations are summarised in Figure 14.7

Stable (High Degree of Certainty)	Turbulent (High Degree of Uncertainty)
<ol style="list-style-type: none"> <li>1. Unchanging Products and Services</li> <li>2. Unchanging Demand for Products</li> <li>3. Same Suppliers, Same Contracts</li> <li>4. Stable Financial Market</li> <li>5. Little Technological Innovation</li> <li>6. Few New Competitors</li> <li>7. Unchanging Government Regulations</li> <li>8. Mature and Stable Labour Supply and Relations</li> <li>9. Stable Economy</li> </ol>	<ol style="list-style-type: none"> <li>1. Constantly Changing Products and Services</li> <li>2. Fluctuating Demand for Products</li> <li>3. Changing Suppliers, Changing Contracts</li> <li>4. Fluctuating Financial Market</li> <li>5. Major Technological Changes</li> <li>6. Many New Competitors Entering the Market</li> <li>7. Unpredictable Changes in Government Regulations</li> <li>8. Volatile Labour Relations and Labour Supply</li> <li>9. Rapid Changes in the Economy</li> </ol>

FIG. 14.7 Characteristics of Stable and Turbulent Environments Facing Organizations

It should also be remembered that different domains might become significant for organisations at different times. For instance, when there is a contemplated expansion or diversification of business, or mergers, especially in the case of the large industrial houses, the Government may become the most significant environment for the organisation at that time since there are legal restrictions on expansions and mergers. A good amount of lobbying in Government circles might become necessary and the organisation may have to spend a great deal of time and energy interacting with the political system. Thus, what might seem to be benign in terms of the economic, political, technological, market, or industry environments might suddenly become volatile due to unexpected changes in the state of the economy, legal requirements, technological innovations, market demands, and competition at the industry level. Hence it is important for organisations to monitor the changes going on in their environments.

Organisations interface with two distinct sets of environments — the general and the specific environments. The *specific environment* is that which is directly related to the organisation achieving its goals. This usually includes the suppliers, customers, competitors, government agencies, and the like. The specific environment of organisations will differ based on what business they are in. The *general environment* includes the economic, political, cultural, technological, and social factors in which the organisation is embedded.

Organisations interact with their specific environments on a continuing basis. For instance, managers have to constantly ensure that a regular flow of supplies or inputs keep coming in so that the production or service mission of the system is not endangered. This would entail being in frequent touch with the suppliers, finding alternative sources of supply whenever needed, and negotiating and renegotiating contracts. As customers' tastes change, the organisation will have to adapt its design and make sure that unsold stocks do not pile up. Pricing policies, distribution outlets, and advertising strategies will be very much a function of customer behaviour patterns. Hence organisations have to be in tune with the needs of the customers.

All organisations, including monopolies, also face competition. Small businesses with their personalised services are a threat even to monopolistic organisations. No organisation can afford to let competition take over its share of the market. As if these concerns were not enough, Government regulates many industries and often specifies what organisations can or cannot do. The Ministry of Commerce and Industry, the Ministry of Broadcasting, and the various other ministries keep a vigil on what is being produced, how it



is being marketed, and even what kinds of information get disseminated. Several legislative policies guide the functioning of organisations. Thus, there is a constant flow of transactions and interactions between the organisation and the various components of its specific environment. In addition, as already discussed, the organisation has to be aware of the changes taking place in its general environment so that the system is not taken by surprise by new or sudden changes in the economic or political or other external environments which might adversely affect its survival and growth. Organisations also need to constantly feel the pulse of their specific and general environments so as not to miss any opportunities that may become available. Thus, it is easy to see that an organisation's success is, to a large extent, dependent on how effectively it interacts with its general and specific environments. Managers have to be adept at environmental scanning and be extremely alert and sensitive to the changes taking place in the specific as well as the general environments.

### Fit Between Environment and Structure

The environment in which an organisation operates influences its structure. Burns and Stalker (1961) studied 20 industrial firms in England and found that a match or "fit" between the environment facing the firms and their structure accounted for their effectiveness. More specifically, firms facing a fast changing or turbulent external environment were effective when they had more organic structures which provided flexibility for quick changes to be made within the interval environment of the system. Likewise, firms which operated in a relatively stable external environment were effective when they had more mechanistic structures. The mechanistic structure allowed the system to operate in a predictable manner since authority, responsibility, procedures, and rules of operation were clearly specified and co-ordination and control were made possible through the hierarchical system. Thus, the relatively rigid structure and the relatively inflexible internal environment of these firms which operated in a relatively stable environment contributed to their efficiency and effectiveness. Thus, the external environment of organisations also influences structure.

### Organisation Design

The term Organisation Design can be considered to connote and depict the structural aspects of the system, or, how an organisation is departmentalised, what types of hierarchical levels exist, what the reporting relationships are, whether the system is mechanistic or organic, and the like. We know that both mechanistic and organic structures are appropriate for different types of environments. In the more dynamic or turbulent environment, where the organisation faces several changes frequently, a more organic structure is useful; when the environment is relatively stable or static, a more mechanistic structure will be useful. It is, however, quite possible that certain subsystems within the same organisation face a more turbulent environment and certain others face a more stable environment. Here, the organisation can be designed with an "organic core with a mechanistic shell" or a "mechanistic core with an organic shell" (Schermerhorn, Hunt and Osborn, 1985). "Core" represents the main mission of the institution — the heart of the functions, as it were — the "shell" provides all the ancillary services for the organisation. Parts of the organisation (the core or the shell) can be structured mechanistically so that they are buffered or sheltered from external "noise" and parts of the system (the shell or the core) can be structured organically to respond to the environmental changes. This kind of structuring allows parts of the organisation to carry on with the daily operations efficiently within a stable subsystem. At the same time, other subsystems which interact with the external environment remain vigilant and respond effectively to the needed changes dictated by the environment. This is an organisation with an *organic core and a mechanistic shell*.

The above phenomenon can be understood through an illustration. The Product Design department of the Mafatlal Mills (the shell), for example, will have an organic structure to proactively determine consumer preferences. Mafatlal's sales and profits will be determined, to a large extent, on consumers' preferences for colours, texture, and designs. The design people will have to be constantly vigilant to changes in customer preferences and market trends. They will have to operate under a flexible structure which will enable them to make decisions quickly so as to capitalise on any new information available to them before



their competitors initiate the changes. However, the Production Department of the mills (the core) does not face any changes in its production technology, except to substitute colours and patterns on the advice of the marketing department — a comparatively easy thing to do. By operating in a mechanistic structure where work procedures are standardised, and having a hierarchical structure where co-ordination is achieved through hierarchical authority, rules, and procedures, the production department can function efficiently in a stable environment. Here is an instance, where the production department has a mechanistic core which is buffered from the environment, and the design department does the boundary spanning or environmental scanning activities with an organic shell. The production core which is closed to the environment ensures the effective day to day performance of the organisation, sealed off as it is from the changes that are occurring in the environment. The organic design department shell which is open to the external environment ensures the continuous growth and prosperity of the mills by incorporating needed changes as it gathers important information from the turbulent environment outside. By designing the mechanistic core within the organic shell, the organisation ensures its survival and growth.

We can also examine an organisation which would have an *organic core with a mechanistic shell*. For instance, a research institution such as the Tata Institute of Fundamental Research (TIFR) will have an organic core in its research departments, where the main function of the institution is carried out through interactions of researchers among themselves and with a changing external environment. Without the flexibility to adapt its activities, the research core will be ineffective. However, all the support services such as the legal, finance, and personnel departments which are essential to TIFR's effective functioning, have mechanistic structures because of the relative stability with which they operate. A relatively fixed structure helps them to function efficiently without being exposed to environmental "noises". Thus, the core functions of the organisation are facilitated by an organic design and the support systems operate in a mechanistic shell.

We can thus see that not only do organisations differ in the degree to which they adopt mechanistic and organic structures, but even within the same organisation certain subsystems are more organically designed while others are more mechanistically structured.

## Differentiation and Integration

An interesting issue for organisations is the basis on which to create distinct departments, the activities of which then have to be co-ordinated effectively. Should Marketing and Sales be two different departments or should they be one department with two functions? Should production and sales be situated close to each other? How much time and effort, and what mechanisms should be used to co-ordinate the activities of the different departments that are created? These are not easy questions to answer, but Lawrence and Lorsch (1967), based on a study of 10 organisations, offer some guidelines to effectively differentiate the different subsystems of an organisation. They also suggest the extent of co-ordination efforts necessary for the various units through appropriate integrating mechanisms. We will now examine these.

### Criteria for Differentiation

Lawrence and Lorsch indicate that four criteria need to be examined before making decisions on differentiating units and creating different departments. They are: (1) the goal orientation of the sub-units; (2) the time horizon in which they operate; (3) the interpersonal orientation required for effective performance; and (4) the formality of structure required.

**Goal Orientation** When the units performing different functions differ in the nature of their goals, they should be differentiated. For example, the manufacturing department of a company will have "efficiency" in production as its main goal. That is, through mass production it would like to reap the advantages of economies of scale. The sales department of the same organisation, however, will have "customer satisfaction" as its primary goal. That is, it would like to have the products tailored to customer needs, which would make mass production impossible. The Research and Development (R & D) department of the same



company will have yet different goals. It would be more oriented toward "quality improvement and innovative designs." Imagine these three units being put together to work as one department!

**Time Orientation** The time horizon in which the units operate is a second factor which determines the basis on which units should be differentiated. R & D operates on a long term time frame. For instance, for any innovation to be worked on, finalised, patented, and used by the company, it would probably take several months, if not years. The production and the sales departments, on the other hand, operate under a short time frame. Production cycles are usually short and sales are effected on the spot. If the production or sales department insists on the R & D department operating in the same time frame that they do — that is, coming up with quick creative ideas — it would simply not work. When the time horizons of operations differ, it is best to differentiate the units.

**Interpersonal Orientation** How people are required to interact with others based on the nature of the work they do, is also another basis for differentiating departments. Sales personnel relate to customers with a high degree of interpersonal interactions. Production people are highly task orientated and relate to each other basically on task-based activities. R & D scientists relate to each other mostly on task-related activities though social interactions also do occur among them. They interact with each other both professionally and socially at conferences and other professional meetings. A set of production personnel who interact with each other primarily on task-related matters will not fit in with the highly social and outgoing type of interpersonal relationships that the sales people tend to engage in!

**Formality of Structure** To get the job done, the very nature of R & D work requires that the structure of the unit be "loose." Too many rules and regulations and a strict hierarchical relationship will not be conducive to the unstructured creative nature of the job performed, which requires spontaneous interactions as warranted by each situation. On the other hand, the manufacturing and sales departments can have a mechanistic structure since the nature of the jobs is well-defined and standards and procedures can be conveniently formalised. Mixing units that require high and low degrees of structure will end in frustration for all concerned. Hence, departments should be differentiated also on the basis of the extent of formality required in their activities to get the job done effectively.

We can now see why it would be useful to create separate departments for Manufacturing, Sales, and R & D activities. By segregating these units based on their goals, time horizon, interpersonal orientation, and formality of structure, each of the units can carry on its function with greater harmony and effectiveness. Conflicts are kept to a minimum and each unit is enabled to operate with the least amount of frustrations.

## Integration

Unless the efforts of the differentiated units are well co-ordinated, the organisation will not achieve its goals. It is not merely enough for the manufacturing unit to try to do a good job of production, the R & D to do a good job of innovation, and the sales department to make several customer contacts. The efforts of all these units should be co-ordinated or integrated so that the production department knows how many and what kinds of products the sales department wants, and the sales department knows what new creative ideas developed by the R & D can be sold to the customers. Thus, integration becomes a very vital task in managing operations. Lawrence and Lorsch point out that the higher the degree of differentiation, the greater is the need for integration or co-ordination in the system.

Integration is achieved by several means. In bureaucratic organisation integration of efforts at the various hierarchical levels is achieved through rules, plans, and direct control exercised by the bosses at various levels. In organisations where there are several departments, special co-ordinating mechanisms will have to be installed since horizontal co-ordination cannot be handled through vertical mechanisms. Co-ordinating mechanisms usually incorporated into such systems include liaison officers, task forces, and special co-ordinating teams. In matrix organisations, project managers perform the co-ordinating role. An interesting point to note is that with increasing differentiation, costs of operation are reduced due to specialisation of labour. However, the need for integration increases with increased differentiation and the



costs of co-ordination rise sharply. Hence, in terms of efficiency, there is an optimal point at which differentiating the units and co-ordinating their efforts is most cost effective. See Figure 14.8 for an illustration.

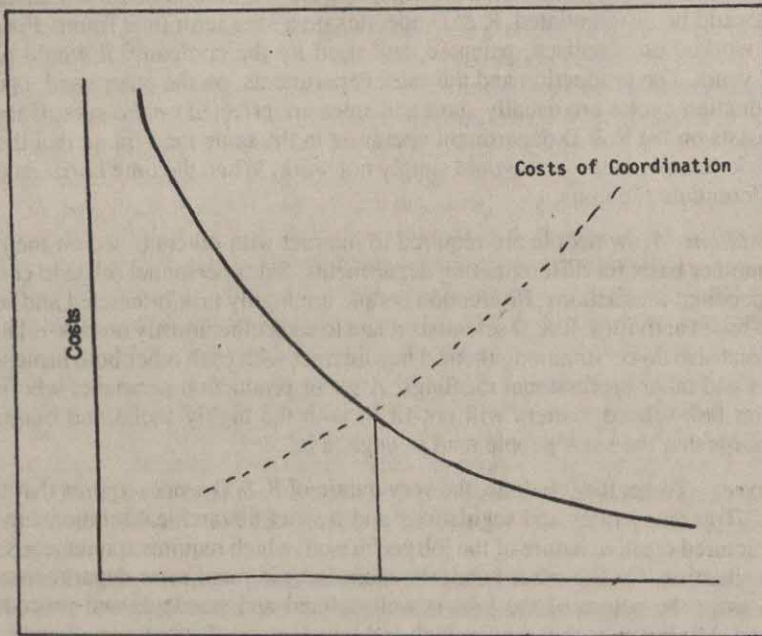


FIG. 14.8 Advantages of Specialisation and Costs of Co-ordination

### The Impact of Culture on Contingency Designs of Organisations

The work of Burns and Stalker, Woodward, Lawrence and Lorsch, and other contingency theorists suggests that we take a contingency approach to designing organisations. As we have seen, they propose, that if the organizations faces a stable environment, it should have a mechanistic structure, and if it faces a turbulent environment, the structure should be loose and flexible. Organisations facing turbulence would be better off if they do not have too many hierarchies, rules, regulations, and formalisation. However, the effectiveness of this contingency approach is itself subject to another contingency variable — culture. This issue has not yet been addressed by organisation theorists. Let us see how culture can influence structure.

According to Hofstede (1980) countries differ on various cultural dimensions such as power distance, individualism-collectivism, uncertainty avoidance, and masculinity-femininity, as described in Chapter 1. When we take all these factors into consideration, it also becomes necessary for us, in applying the contingency approaches discussed above, to consider the effectiveness of the prescribed contingency models in different cultures. That is, culture itself becomes a primary contingent variable. Performance and productivity might decrease rather than increase in some cultures with the application of the contingency approaches prescribed by Western researchers, unless the attitudes and values of employees at all levels in organisations are changed in some cultures. Among other things, one has to consider the level of comfort or discomfort experienced by bosses and subordinates with greater distribution of power to lower levels, flat organisational structures calling for more egalitarian values, and reward systems geared to individual versus group performance, all of which are aspects of structure. For detailed discussions on these, see Sekaran and Snodgrass (1986, 1987).



## Summary

In this chapter we discussed two basic forms of structure—organic and mechanistic. We also examined the different types of departmentation that can be designed into organisations. In particular, we discussed the functional, product, hybrid, and matrix structures. We also discussed the influence of size, technology, and environment on organisational structure. We highlighted the importance of the organisation-environment interface dynamics. Finally, we discussed the principles on which organisational systems are designed. In the next chapter we will discuss organisation development.

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## Discussion Questions

1. Many organisations do not seem to have an Organisation Chart, and if there is one, it seems to be obsolete in many cases. Discuss why this might be so.
  2. What are some of the basic differences between an organic and mechanistic structure? Which do you prefer to work in? Why?
  3. Discuss the essential characteristics of three firms which would prefer to model their structure primarily on: 1. the functional type; 2. the product type, and 3. the Matrix type. Why would they opt for these particular types?
  4. An article in a newspaper reported that the Singleton Multiple Products Co., which adopted the Matrix structure, abandoned it and went back to its original Product structure. Discuss in some depth why this might be so.
  5. Environment, Technology, and Size influence the structure of an organisation. Take any organisation you are familiar with (including academic institutions) and examine the fit among the four factors with particular reference to the organisation's performance and human resources maintenance.
  7. Explain fully the notion of Buffering and explain with an example, not in the book, the concept of a mechanic core in an organic shell.
  8. "The higher the degree of differentiation, the higher the need for integration" — explain with an example why this is so.
  9. Sekaran emphasises that culture is a variable that needs to be considered as another contingent factor which influences structure. Discuss how the contingency theories proposed by the western contingency theorists may be incongruent with the cultural values of India. For this purpose, take any two specific structural aspects and discuss them in some depth with logical reasoning. Suggest what would be the ideal structures or the appropriate mechanisms that would mesh in with our cultural values. Your answer should be two to four pages in length.
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## Exercise 1

### Organisation Design

The principal of a college which has six primary departments — Economics, English, Business, Mathematics, Psychology, and Computer Sciences — is under great pressure to cut corners and merge some of the units so that the overheads can be considerably reduced. The principal wants to redesign the system so that there are four, instead of six departments.

Help the principal to do so, fully explaining to him the rationale for your recommendation and citing relevant concepts and theories.



## Exercise 2

Dr. Y.R. Datta teaches an Organisational Behaviour (OB) class consisting of 35 graduate students. His teaching philosophy is that the classroom is an organisation and that students studying OB should be given the chance to practice what they learn in the course within the classroom system. He strongly believes that concepts such as motivation, leadership, group dynamics, and problem-solving can be applied by class participants in group settings. Hence, Dr. Datta organised five groups of seven students each and asked them to structure themselves and function in any way they felt appropriate. 75% of the total class grade was apportioned for group performance of class participants.

The nature of group assignments varied from in-class group exercises to case studies and to group presentations. A group development project was also assigned which was supposed to trace the various stages of the group's development throughout the semester. It was not very clear to the students as to what exactly was to be done for the case studies, the group development project or for the group presentations. Whenever the class asked Dr. Datta for clarifications beyond the sketchy details given in the class handout, he simply smiled and said, "That's what you are supposed to figure out as a group!" Dr. Datta's reputation was that he expected high quality work from the groups.

Your group has designated you as the leader and you are wondering how to structure the group and get on with the assignments. The thought of having an Assistant Manager and perhaps a secretary from among the members of your group has crossed your mind.

Discuss in detail, highlighting all the relevant factors that you are taking into consideration, how you would structure the group, lay the ground rules, and proceed with the various assignments that are required.

What are the advantages and disadvantages of your proposal?

## A Case Study

### The Aesthetic Embroidery Shop

Lata Vinodkar owned a private shop employing about 25 young men and women who were specialists in hand embroidery, hand painting, and machine embroidery. What started as a one-woman show five years ago, had grown to be a small but growing business. Lata's clientele were rich housewives, actresses, and dancers. Attracted by the quality of the work, and innovation of ideas and designs, more and more people flocked to her shop. Lata was seriously considering expanding her business and moving out of the huge single room that she was operating from to a more spacious building within the same locality. Currently, her hand painting, hand embroidery, and machine embroidery crew functioned from the same room and seated themselves wherever they chose. The experts in the three areas — Mr. Vishnu Nath, Ms. Prabha Kelkar, and Ms. Usha Ram were the ones with whom Lata frequently interacted and discussed new designs and creative techniques to put more flourish into what the shop offered to the clients. The other staff members, except for one book-keeper (who did all the billing, received the cash and attended to the accounting aspects), were almost equally distributed among the three specialities. A major problem that the staff experienced was that the hand-painting people frequently messed the floor with their liquid paints which often spoiled the sarees of some workers when they bent down to pick up materials. The hand painting jobs also seemed to take a much longer time since they had to be frequently dried and repainted.

Ms. Vinodkar is negotiating for the rental of an upstairs portion with five spacious rooms, one of which she plans on using as her office where she can meet with clients. She is also recruiting seven more hand painters, five hand embroidery, and three machine embroidery people to cope with the increasing business she is now getting.

Based on what you have learnt in this chapter, design an organisation chart for Ms. Lata Vinodkar and draw the layout for her new shop. Discuss in detail, the factors that you took into consideration and the criteria you used to design the structure of her new shop.



**PART SIX**

# **Organisation Development and Change**



PART SIX

# Organization Development and Change



# 15

## Organisation Development

In the previous chapter we discussed the design aspects of the organisation. Organisations are not static systems but keep on developing, based on the needs of the system and the opportunities that exist in the environment. While the term Organisational Design can be considered to connote the structural aspects of the system, that is, the departmentalisation, the hierarchical levels, the reporting relationships, and whether the system is mechanistic or organic, the term Organisation Development refers to all on-going developmental efforts which are oriented towards making the organisation and its members effective. In other words, Organisation Development connotes the continuous planned efforts that are made to enhance the structural, processual, and people aspects of the system. Such systematic efforts ensure the organisation's survival and growth by enhancing the quality of work life and the quality of life of the employees in general.

### Quality of Life

The concept of quality of life is gaining increasing attention by organisations. Quality of life encompasses the sum total of healthy experiences that individuals experience in the various facets of their life. A big component of the quality of life is the quality of life experienced by organisational members at the work place. The quality of working life is particularly important and worthy of investigation since individuals do not compartmentalise their lives but carry over their satisfactions and dissatisfactions experienced at work (where they spend the major part of their waking time) to their home. Thus, the quality of life at work spills over to the quality of life experienced in the family.

### Quality of working Life

Since a key aim of organisation development is the enhancement of the quality of working life (QWL), it is important to understand the concept. Seashore (1975) considers the QWL as an indicator of the effectiveness of employees, workers, and the community. Lawler (1975) suggested that one way of measuring QWL would be to focus on the behavioural outcomes such as the rates of turnover, absenteeism, drug abuse, alcoholism, and mental and physical illness resulting from psychologically harmful jobs. Faunce and Dubin (1975) point out that job involvement or the self-investment of individuals at work is a good index of the QWL experienced by employees at work. Ideally, several indices should be considered to represent the quality of working life, taking the approach that the effectiveness of the organisation, the employees, and the benefits accrued to the society, are all components of the QWL. However, measuring QWL from this multidimensional perspective is fraught with problems, and researchers investigate the QWL mainly from the perspective of the employees in the organisational system. The commonly measured indices of the QWL of employees is the extent of their job involvement or self-investment at work, their



sense of competence (i.e., the extent of their confidence in their own competence at work), and job satisfaction or the satisfaction they derive from the various facets of their work such as from the nature of the job itself, the supervision, coworkers, pay, promotional opportunities, growth and development on the job, and other aspects of the work environment. More recently, employees' mental health is also being measured, and causal models are being developed to trace the paths among the various factors. Such models usually treat the individual, job, and organisational factors, as the independent variables; job involvement, sense of competence, and job satisfaction as the intervening variables, and mental health as the dependent variable. Figure 15.1 depicts the paths to the mental health (which is the ultimate indicator of the quality of life experienced by employees) empirically derived by Sekaran in various studies conducted in India and the U.S.A.

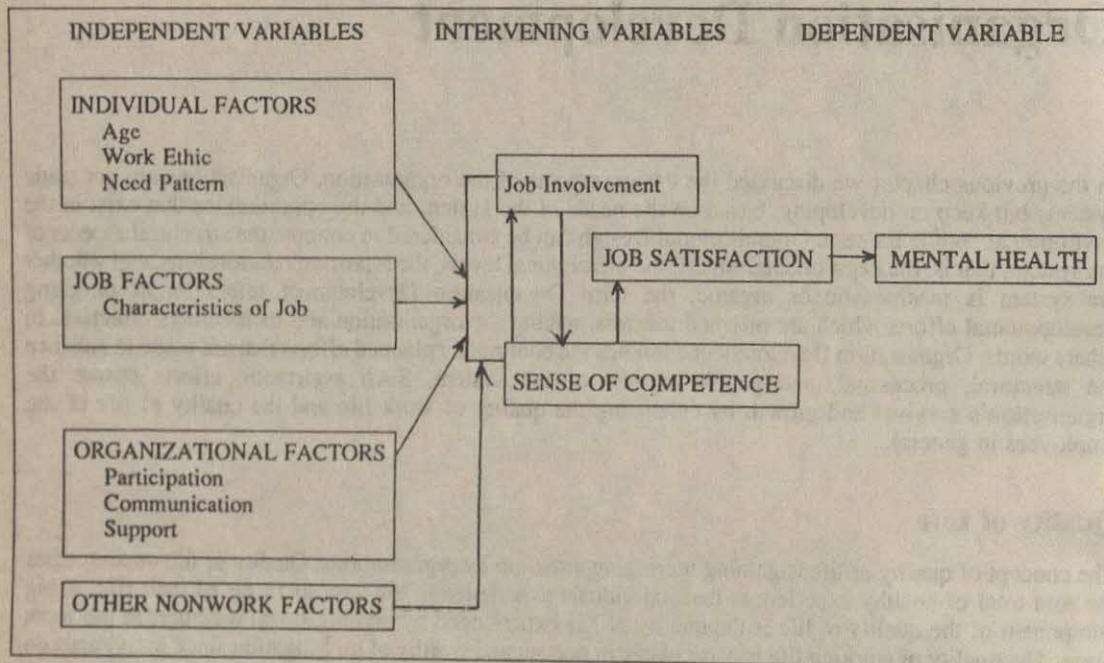


FIG. 15.1 Paths to the Mental Health of Employees

Organisation development efforts are intended to enhance the QWL not only from the employees' point of view, but also from the organisational and social perspectives. From the organisation's viewpoint, QWL would encompass all the criteria which the organisation considers as its measure of effectiveness, which might include profits, market share, customer satisfaction, product safety, and so on. Organisational effectiveness is more completely discussed in chapter 17. From the societal perspective, factors such as pollution control, social responsiveness of the organisation, and reducing the unemployment rate would be critical. We will now examine organisation development (or organisational development as it is sometimes called) in some detail.

## Organisation Development

The term organisation development is used to capture the developmental efforts or the planned changes that are made in organisations on an on-going basis to improve the vitality of the organisation and its members. There are many definitions of organisation development (OD) and we can comprehensively define it as follows:



OD is a planned, systematic, organized, and collaborative effort where behavioural science and organization theory principles and practices are continuously applied in order to increase the quality of life which is reflected in increased organizational health and vitality, enhanced individual and group members' competence and self-worth, and the general overall wellbeing of society.

In a sense, OD makes the difference between *being* and *becoming* — the former term reflecting a static state of things as they currently are, and the latter denoting a developmental aspect of constantly experiencing a state of growing, developing, and reaching new heights. Organisations develop and grow and so do individuals, groups, and society itself. Thus, OD signifies a planned growth and developmental strategy for organizations, making use of behavioural science, organization theory, comparative management, and other fields of scientific knowledge. Currently, more behavioural science knowledge and techniques are used as intervention mechanisms, that is, techniques to bring about the desired changes. However, as more and more technological and demographic changes take place in the environment, the technical, structural, cultural, and behavioural aspects have to be simultaneously explored and more comprehensive intervention mechanisms will have to be used. This calls for a good knowledge of the relevant cross-disciplines such as sociology, psychology, anthropology, mathematics and decision sciences (for model building), general systems theory, socio technical systems, and even theology to some extent, since we are now becoming cognisant of the fact that interventions such as meditation practised by the rishis, help reduce stress at the workplace and is especially useful for managers.

### OD: More Than a Series of Change Processes

OD is not just sporadically initiating changes at the workplace during crisis situations. It is a planned effort geared to enhancing the creativity, problem-solving skills, and learning and growth for people within the organization. This involves constantly evaluating current structures and processes and incorporating such changes as are seen to be necessary so that the system becomes flexible and self-renewing with a culture that fosters and perpetuates the "becoming" of the organization and its members:

### Learning and Growth Through OD

Creativity, learning and growth of organizational members occur when OD efforts are engaged in as a collaborative process where all organizational members from top to bottom become a part of the process of change. Any new change, if it is to be successfully initiated and implemented, requires that the people who will be affected by the change are involved in the entire process. As members deal with the organisational realities trying to come up with innovative ideas, they experience learning and growth and constantly sharpen their problem solving skills. Thus, when there is collaborative effort, it is not just the top people in the organization who are left with the burden of making decisions regarding appropriate changes to be made, but a broader base of organizational members who are more conversant with their immediate work situation get involved in the change efforts. The organisation thus becomes a learning system and much synergy is created within the system which, then, not only renews itself but gets highly revitalized and healthy. It is as if the organisational batteries are in a continuous state of being recharged with OD efforts.

### Organisational Culture

OD efforts are also a means to create, change, or reinforce the organisational culture. Organisational culture reflects the shared assumptions of organisational members — especially those who create and shape the organisation — about what an organisation ought to be, how it should deal with its external and internal environments, how it should manage and integrate its internal subsystems and their interrelationships, and what kind of an image it should project to its external client systems. Making decisions on these issues offers the organisation a sense of what values should pervade the system, what objectives are to be pursued, and what beliefs, goals, and ideals the organisation and its members will be committed to. In the process of collaboratively renewing and enhancing the organisation's growth, organisational culture — that is, shared



assumptions, values and beliefs — becomes more firmly implanted within the system. To articulate the norms and values, members, especially at the top level, act as role models, create rituals to reinforce the values, and use story telling, symbols and myths as various means of perpetuating the desired behaviours within the system. Organisational culture can be said to be firmly embedded when the shared values, norms, and solutions work so well that they are almost taken for granted and drop out of the awareness of organisational members. These are then taken "as the correct way to operate" and passed on to new members as a reality of the system.

Because of this very firm embedding of values and norms, it is extremely difficult to change the culture in a well-established system if a new management takes over, or if changes in the environment call for a changed pattern of norms and values to be adopted. Intense OD efforts are called for, for prolonged periods of time to bring about the change in the corporate culture.

In sum, OD is more than a mere chain of change processes. It is the effective and collaborative management of what the system wants to "become." In pursuing these goals, organisations become learning systems, that is, create opportunities for the professional and personal growth and development of members, which in turn keeps the systems in a continuously rejuvenating cycle.

### Potential Areas for OD Interventions

OD efforts are useful wherever problems and tensions exist or are sensed to arise. Areas where OD interventions help encompass the people side of the organisation, the technical and job related aspects, and the structural aspects. Certain OD techniques are also available to obtain information about how effective the organization is perceived to be by significant others and how its effectiveness can be increased. All the areas noted above are interrelated. For instance, one cannot make changes in the technical or structural aspects without simultaneously considering the people side of the enterprise and vice versa. And, of course, organisations want to know how others perceive them and hence seek feedback to assess their own effectiveness. It is beyond the scope of this chapter to go through an exhaustive analysis of each of the intervention strategies; however, a few of the more frequently used interventions will be highlighted.

If we look at the people side, OD interventions can be at the (1) individual or intra-personal level — personal counseling and career planning; (2) dyadic level — solving problems in interpersonal communication and in superior-subordinate relationships; (3) group level — helping people to get along better with each other and clarifying perceived incongruencies in goals; and even at (4) the family level — helping couples to get adjusted to transfers and relocations, and conducting workshops for dual career family members to better manage the work-family interfaces. Some of the OD interventions to address "people concerns" are sensitivity training, transactional analysis, process consultation and third party peacemaking, team building, individual counseling, life and career planning, role clarification, and various kinds of workshops. Some of these are briefly explained later in the chapter.

Areas for intervention in the technical and job related aspects include the examination of workflow interdependencies, job evaluation, job redesigning and the like. Some of the OD strategies that come in handy for the purpose are socio-technical system analysis, creating structures such as flexible work hours for better productivity, offering job sharing facilities, and the job evaluation and role analysis techniques (JET and RAT as they are known). Structural changes include, among other things, interventions to change the physical setting, work group structuring such as the autonomous work groups, changes in the extent of formalisation and control, and the like. An OD strategy used to assess and enhance the effectiveness of the organization is what is known as organizational mirroring. The managerial grid and Likert's Systems IV techniques are also other strategies to increase organizational effectiveness if one believes in the "one best way of increasing effectiveness." We will now examine some of the more commonly used OD intervention techniques.

### Some Frequently Used Intervention Strategies

Some of the more commonly used intervention strategies briefly discussed in this section are: survey feedback, action research, sensitivity training, transactional analysis, process consultation, third-party



peacemaking, team building, socio-technical structuring of the workplace (discussed in chapter 13), organisational mirroring, and the managerial grid. We will also briefly describe some of the other techniques such as open systems planning which is becoming more popular in the West, and structural interventions such as flexitime, job sharing, and workshops for dual career family members since the changing lifestyles of societal members will necessitate these interventions more frequently in the future.

### The Survey Feedback

Survey feedback basically refers to the use of attitude surveys and data feedback in workshop sessions (French and Bell, 1978). It is a primary diagnostic tool to find out the perceived organisational climate in the system that employees are in. This widely used technique helps the individual who contemplates needed changes to do an attitude survey of individuals and groups at all levels in the organisation. These surveys serve as useful data points to trace trends. Three significant steps are involved in survey feedback. First, members holding primary positions in the organization plan what data need to be collected. Next, the data are collected from all members of the organization. Third, the data are analysed and fed back to the top executive and down the hierarchy in teams. These and further feedback sessions are done by a consultant who serves as a resource person and prepares the superior to share the data with his or her immediate subordinates. The third step is for each superior to call for a meeting of his or her staff in which the data are fed to the subordinates. The group members are at that time asked to interpret the data (what do the data mean), what constructive changes seem necessary, and how they should be brought about. Based on these discussions with each group, the commonly recurring themes are dealt with through the help of a reconstituted group of members.

As can be seen, the survey feedback is a good diagnostic tool which can be used for several types of interventions such as team building, discussed later. The survey technique provides useful data about the system; the feedback technique helps the organization to work with the data in a manner which helps the system. The survey feedback is an effective intervention strategy since people realize that they are working with data that they themselves have provided. In a sense they "own" the data which spurs them on to initiate and implement the needed changes later.

### Action Research

Problem-solving processes begin with an awareness of the tensions (gap between desired and actual states) that exist in a system which require careful diagnosis. The survey feedback acts as the mechanism for surfacing the problems through feeding back the survey results to the employees as discussed above. Next, the proper intervention mechanisms to bring about the desired changes need to be examined. Finally, after the changes are made, the effectiveness of the change processes needs to be assessed and monitored. *Action Research* is an intervention model which includes: (1) identification of tension points and diagnosis of the situation; (2) gathering relevant data and analyzing the data, the results of which are fed back to the client system; (3) data discussion and work by the client group; (4) action planning; (5) taking appropriate corrective action to reduce the gap; and (6) evaluating the results of the intervention. *Action research* may be defined as a collaborative, scientific, problem-solving intervention where objectives are specified, planned action is taken, and the results of intervention assessed. Action research is an iterative process where gaps are constantly being assessed and corrective action taken. Proponents of action research include French (1969), Lewin (1951), and Shepard (1960).

### Sensitivity Training

Sensitivity training also known as T-Groups (for training groups) or Lab training, is an unstructured small-group interaction from which participants learn about their personal styles, how they communicate, and how they are perceived by others. This information is obtained from the feedback that group members offer. A group is initially formed and left to themselves to interact with each other as they sit in a circle. In the beginning, there are awkward silences, nervous laughter, and much conversation about things that are not central to members learning about who they are and how they come across to others in the group. The



facilitator usually waits for a while and alerts the group to the fact that they are not concentrating on the "here and now" but talking about experiences outside of themselves (such as, for instance, what happened in the cricket match they witnessed earlier). The group members then become more open and talk about themselves and get feedback on how others perceive them. As the group members meet more often, they become more comfortable in opening themselves up and in giving and receiving feedback. The T-group leader or trainer simply facilitates the agendaless group sessions when the group gets stuck or strays away from the main goal of learning about themselves, but otherwise does not take a leading role in leading the group.

Different individuals react differently to the T-group or sensitivity training sessions. People who are more open to feedback, learn more about themselves in several of the lab sessions and acquire increased self-awareness. They become more attentive to the feelings of others and more sensitive to cues from others. Valid insights of oneself thus become possible through intensive lab sessions for those who are more open to receiving feedback from others. T-group sessions have helped aggressive individuals to become friendly, timid persons to become more assertive, and outwardly brusque managers to change their behaviours to exhibit more empathy. Managers and subordinates alike have benefitted from sensitivity training.

### Transactional Analysis

We had introduced Transactional Analysis in chapter 8 on Communication. We will now examine transactional analysis and its usefulness as an OD intervention strategy. The term Transactional Analysis (TA) was first introduced by Eric Berne (1964). TA focuses on analysing the nature of people's verbal interactions with each other. The basic tenet of TA is that each one of us operates from three ego states and there are compatible and incompatible messages that we send to each other from time to time. By analysing the messages, we will be able to engage in more fruitful and effective communication patterns.

#### Ego States

Each one of us operates from three ego-states — the Parent, the Adult, and the Child. The *parent* state reflects our feelings of superiority, authority, being judgemental, and so on: these are feelings that we have picked up from our own parents as we were growing up. The *adult* state reflects maturity, objectivity, logic, and rational problem solving tendencies. The *child* state reflects our tendencies as a child — dependent, impulsive, rebellious, and the like. Each one of us operates from all three ego states at different times and this is reflected in our communication with each other. Most of us, however, resort to one mode of interaction most of the time — either from the parent or adult or child state. Observe how bosses differ in how they normally communicate with their subordinates!

#### Transaction

Any verbal communication between one party and another can be treated as a transaction. If I ask my son, "How was your day? What have you been doing?" It is considered as one transaction, and if he replies, "Why are you asking me these kinds of probing questions?" it is another transaction. The conversation between any two persons can be analysed in terms of the ego state from which each of the transactions emanates. Transactions can be (1) complementary (2) crossed, or (3) ulterior. *Complementary transactions* come from compatible ego states, for example, adult to adult, child to child, parent to child, etc., where expected responses naturally occur. *Crossed transactions* occur when a message from one ego state is responded to by a message coming from an incompatible ego state in the other person. An adult-child transaction would be an example of this as evidenced in the above-cited imaginary conversation with my son. *Crossed transactions* usually result in resentment, hurt, anger, and frustration for the parties concerned. An *ulterior transaction* takes place when two parties say things to each other which circumvent the main issue. For instance, if I went to ask my boss for a raise, and instead of directly asking him about it, I say



things like, "I have been working very hard lately", and the boss, knowing very well what I have come to talk to him about, says, "There is a lot of work to be done, I have seen Rath and Ram also putting in long hours", we are both engaging in ulterior transactions. I am trying to make the point that I deserve a pay raise by talking about my hard work without bringing in the issue directly, and my boss is indirectly communicating to me that there are others who work hard as well ! By not being open about what I want, I have not accomplished my goal and I am giving my boss an opportunity to circumvent the issue.

TA is a useful technique for understanding how people communicate with each other and helps us to identify ways of maximising adult-adult transactions in organisations. TA also helps to quickly identify and untangle crossed transactions. By understanding the extent to which ulterior transactions occur in organisations, efforts can be made, if necessary, to minimise them since avoiding authentic encounters adversely affects effectiveness in the longrun. Employees spend more time playing games than being helpful to each other in getting the job done. Since trust levels are low, the culture of the organisation also experiences a setback.

Training in TA as an OD intervention strategy was very popular in the U.S.A. in the early 1970s, but is now not so extensively used. TA training focuses both on the individuals and the processes (or the patterns that people use as their mode of transacting). The objective of the training is to make people understand 1. their own ego states, 2 their most resorted to mode of communicating with others, 3 the effectiveness of complementary transactions. Greater awareness of one's own tendencies and modes of operations increases the interpersonal competence of the trainees. TA training is particularly useful in improving dyadic relationships, say, between the superior and subordinate, or the client and agent. It should, however, be noted that there is no hard empirically established evidence that training in TA does indeed result in the use of more complementary transactions (Burke, 1982, p. 241).

### Process Consultation

Understanding the processes by which things get done in organisations is important for organisational effectiveness. Many problems arise because not enough attention is paid to processes. Both the structural and the procedural aspects are important for organisations to run smoothly. For instance, it is certainly important to specify the channels of communication in an organisational system so that people know whether they can communicate only through hierarchical levels or whether they can pass on information horizontally. However, having laid down the structure, the manager cannot always expect that the expected behaviours and results will automatically follow. Attention has to be paid to the processes by which communication takes place. Are people friendly with each other in communicating or do they take adversative positions? How well do they understand each other? These process issues make the difference between effective and ineffective operations in a system.

One way of comprehending the effectiveness, or otherwise, of various processes in the organisation, such as, the dynamics of the formal and informal relationships, nature of communication that take place between people, issues of leadership and authority, group problem solving and decision making, and intergroup cooperation and competition is through the help of a consultant, well versed in process consultation. The process consultant observes phenomena that take place in the system and helps organisational members to become sensitive to the processes that occur.

Process consultation requires a combination of skills in establishing helping relationships, knowing what kinds of processes to look for in organizations, and intervening in ways to improve organisational processes (Schein, 1969). The essence of process consultation is that a skilled consultant works with the managers, individuals, and groups in the system to develop their process skills — that is, diagnose, understand, and resolve process-related problems. This involves sensitising the individuals involved about issues such as how people get along with each other, how conflicts are resolved, styles of interactions among departments, and so on. The members of the organisation are made aware of organisational processes that enhance and obstruct their effectiveness. They also then learn how to bring about necessary changes so that the organisation becomes a more effective system.



### **Third-Party Peacemaking**

Third-party peacemaking, as its name suggests, focuses on interventions by a third party to resolve conflictful situations. Walton (1969) suggests that a fundamental aspect of third-party peacemaking is for the consultant (third party) to make the two disagreeing parties to confront or face up to the fact that a conflict does exist and that it is impairing the effectiveness of both. The consultant facilitates the significant issues involved in the conflict to surface by using the right intervention techniques. By wisely choosing the place, selecting the proper environment, using effective interventions strategies, and setting an appropriate agenda for the meeting, the third party can help the parties in conflict to own up to their problems and find solutions. Where the issues involved are of a substantive nature (for example, competition for scarce resources), the consultant or peacemaker will concentrate on the parties engaging in problem solving through rational bargaining behaviours, whereas, if the conflict is emotional in nature (for example, anger, distrust, or fear between the members), the consultant might have to work hard at restructuring the perceptions and facilitate understanding between the parties involved.

### **Team Building**

Team building as an OD intervention strategy is aimed at improving intra-and inter-group effectiveness. The team building activities may revolve around enhancing better interaction modes, sharing resources more effectively, forming temporary task forces, and acquiring new skills for accomplishing the task as a team or teams of interacting members. The intragroup as well as intergroup efforts focus on such aspects as problem solving, role clarification, goal setting, improving boss-subordinate relationships, conflict resolution, managing group processes, and understanding the organizational culture. Extensive clarifications take place in role expectations, goals to be accomplished, and resources sharing among members of a team or between teams. Team building activities will differ depending on the nature and size of the group and the magnitude of the problem that exists. For instance, after a survey feedback session, the consultant might first assemble the entire team (s) and talk to them; the members may then be split into subgroups to discuss issues and come up with problem identification and solutions; thereafter, the consultant might even decide to split the groups into dyads to discuss issues in further detail. The consultant's role in team building includes, among other things, interviews with group members in advance before working with them as a group, creating the environment to make it a constructive and psychologically safe place for the members to interact, and to help the group to examine its norms. Team building is both a time-consuming and exhausting intervention technique, but very useful if skilfully managed.

### **Organisational Mirroring**

Organisational mirroring is an intervention technique to both assess and improve an organisation's effectiveness by obtaining feedback from several other groups. When an organisation experiences difficulties in working with other external organisations, such as suppliers, government agencies, and the like, it can seek help from these units to understand and rectify whatever is going wrong with the relationships. For this purpose, key representatives from the various relevant outside organisations are invited to participate to mirror or reflect back to the host organisation on how it is perceived, what it can do to improve its effectiveness, and to draw up a plan of action to rectify problematic issues.

A consultant generally interviews the people attending the meeting before the meeting is scheduled to assess the magnitude of the problematic issues and facilitate the problem solving process. Subgroups of both the host and invited organisations work together during the meetings to identify the problems and the changes needed. The total group which meets thereafter, identifies the critical issues and recommends needed changes.

Organisational mirroring as an intervention technique helps the organisation to improve its relations with external groups or systems within a short period of time. The critical factor is that the host organisation should be genuine in wanting to resolve any problems it has with its external constituencies and follow through with the action plans developed during the meeting.



## Grid OD

Blake and Mouton (1969) developed the Grid Organization Development model. The total organization is involved in a six-phase change process which takes anywhere between three and five years for the organisation to reach its self-defined state of excellence. Before phase 1, selected key managers in the organizational system begin to learn the Grid concepts, assess their own leadership styles, and learn to use several instruments to assess various effectiveness dimensions. These managers are trained to be instructors to others who attend the Grid seminars later.

In phase 1, which is similar to the prephase described above, all managers assess their personal predispositions (whether they have more concern for people or production, etc.), and their leadership, communication, and critiquing styles. They also learn to become 9,9 managers (that is both highly production oriented and highly people oriented). In phase 2, the managers focus on team development and learn to manage the culture of their work teams. In phase 3 the dynamics of intergroup competition and cooperation are explored. In phase 4, the managers develop an ideal strategic corporate model for their organisation. In phase 5 they work out the strategy to reach the corporate excellence they have envisioned. In phase 6, they evaluate their achievements. Thus, at the various phases, the managers sharpen their skills and leadership abilities, and groups improve their intra-and-inter-team interactions. Corporate planning, and strategy and tactics to achieve goals are all examined and implemented. The results of all these are evaluated during the final phase and future directions for the organisation are charted.

## Open Systems Planning

One of the most recent intervention strategies developed by Will McWhinney and his Associates is the Open Systems Planning approach to OD. This works especially well in organisations that have been newly established or are yet to be started. The general idea is that a core group of people from all functional areas work on a full time basis to determine the mission, strategy and planning for the organisation. In other words, they decide where they want to be, say 20 years from now, and then determine the path that will lead to the desired goal. Experts from all functional areas, who are members of the work system, deliberate on these issues, and are helped by another group of members from higher ranks in the organisation, called the envelope group. As plans get firmed up, external constituencies, such as government agencies, suppliers, customers, and others are brought in to evaluate the soundness of the schemes that are generated. Thus, the organisation designs itself on a continuous basis. The idea, though novel, has recently been successfully implemented in several organisations, including such established old industries as the Imperial Chemical Industries in the U.K. Not very much has been written on open systems planning yet, but we can expect documentation on it in the future.

## Some other Intervention Strategies

With more women becoming more educated and seeking employment in organisations, organisational effectiveness will have to be enhanced through other types of interventions as well in the future. *Alternative work patterns* such as flexitime, flexiplace, part-time, and job sharing will have to be introduced for organisational members. Though this might be more important in countries where leisure activities are highly valued, it may also be necessary for a special group of workers in developing countries as well. As the number of two-earner families increase, members will find it more and more difficult to juggle their work and family responsibilities simultaneously. This will be more pronounced in dual career families, where both spouses have careers as opposed to one or both of them having an 8-hour job. By allowing people to work flexible hours (which is possible in many types of organisations) and identifying the types of jobs which can be shared between two people, not only will more educated people be given a chance to contribute to the GNP, but organisational productivity will also increase. For a more exhaustive discussion on this, see Sekaran (1986).



### **Dual Career Families**

For the same reason stated above, organizations will do well to pay attention to the needs of dual career families in other ways. For instance, dual career members, who are now trying to combine their family and work lives, face problems managing their work-family interfaces. Workshops conducted for both spouses on time management, child care, stress management, and management of the overlaps among the work and family boundaries will be immensely helpful to the members. Surprisingly enough, spending organisational resources for such workshops increases the productivity for the organisation as well, as documented by Sekaran (1986).

The dual career family is an emerging phenomenon in the urban cities of India and organizations have not yet explored the costs of ignoring the needs of these members. An exhaustive analysis of this with cost-benefit figures is available in Sekaran (1986). Proactive organizations will start paying attention to OD interventions for dual career family members.

### **Values and OD**

From all that has preceded in this chapter, one can get a very strong sense of the assumptions and value base from which OD originates. One of the primary assumptions made in OD is that people have needs for personal growth, self-enhancement, and self-esteem. It is also assumed that people want to belong to a stable group, like equal opportunities, and enjoy creativity. If employees do not already subscribe to these views, the feeling is that once exposed to these values, people will come to like and enjoy them. This supposition leads OD practitioners to the belief that people ought to be given opportunities to develop and grow — a value system the OD advocates strongly cherish and hold on to. Another assumption made in OD is that people *want* to contribute to the organization's advancement and growth and that by involving them in the change processes, they will work towards making OD a success. Hence, it is felt that power should be equalised to the maximum extent possible and participatory decision making should be a way of life in organizations.

Tannenbaum and Davis (1969) prescribe the values that organizations should develop to undertake OD efforts. They specify that organizations should move:

1. Away from a view of human beings as essentially bad toward viewing them as basically good.
  2. Away from avoidance or negative evaluation of individuals to confirming them as valuable human beings.
  3. Away from a view of individuals as "fixed" (i.e. being) toward seeing them as "being in process" (i.e. becoming).
  4. Away from resisting and fearing individual differences toward accepting and utilising them.
  5. Away from utilising an individual primarily with reference to his/her job description to viewing the individual as a whole person.
  6. Away from walling off the expression of feelings toward making possible both appropriate expression and effective use of feelings.
  7. Away from masksmanship and game playing toward authentic behaviour.
  8. Away from use of status for maintaining power and personal prestige toward use of status for organisationally relevant purposes alone.
  9. Away from distrusting people to trusting them.
  10. Away from avoiding facing others with relevant data toward making appropriate confrontation.
  11. Away from avoiding risk taking towards willingness to take risks.
  12. Away from a view of process work as being unproductive effort to seeing it as essential to effective task accomplishment.
  13. Away from primary emphasis on competition towards a much greater emphasis on cooperation.
- If we introspect on the 13 values above, we can clearly understand why they are considered absolutely essential for OD efforts to be successful.



## Summary

In this chapter, we examined the concept of OD as more than a chain of changes taking place in the organizational system. We discussed some of the more frequently used intervention strategies for enhancing the opportunities for growth and development of individuals, groups, and the organizational system itself. In examining the values that govern OD, it became clear that organisations should subscribe to certain values so as to make OD effective. In the next chapter we will discuss how to bring about changes effectively in organisations.

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## Discussion Questions

1. What distinctions would you make between the concepts of organisation design and organisation development? Which do you think is more important? Elaborate your answer.
  2. Take any organisation you know, describe it briefly in about a paragraph and explain whether OD intervention strategies which help people to "become" will be worthwhile in that system or not. Substantiate your response.
  3. Apply TA to a frustrating communication you have had with someone and fully discuss the nature of the transaction. What interventions can be made to relieve your frustration?
  4. Discuss, using examples, the following intervention strategies. You can create scenarios to explain them.
    - (a) Third-party Peacemaking.
    - (b) Team Building
    - (c) Action Research.
  5. If an Academic institution wants to use Organisational Mirroring, how would it proceed?
  6. What would be relevant factors in determining the quality of life in a University setting? List all the variables that would have to be taken into consideration in assessing the University's quality of life. Give reasons as to why these variables were included.
  7. Describe in about a page the culture of your class. How did it get to be set?
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## A Case Study

### The Growing Pains of the Pennathur Tyre Company

The Pennathur Tyre Company (PTC), was set up in 1986 to fill, what its partner Mr. Mani, called a void that existed in the Southern parts of India. According to Mr. Mani, who had worked for a foreign tyre company for nearly 15 years, there was no tyre company that had its major aim as producing tyres at the lowest cost and selling them to customers for a reasonable price. "The four-wheel vehicle owners pay through their nose for tyres, petrol and repairs. Anybody who owns a car spends at least 35 to 40 percent of his salary on maintaining the vehicle and that is not how it should be!", Mani was often heard to say. Mr. Mani started the PTC in partnership with two of his close friends who also had extensive experience in the tyre business working for others. Mr. Mani was very actively involved with the business and was at work every day at the crack of dawn and never left the place before 8.00 p.m. Sometimes when work was heavy, Mani would stay as late as 10.00 p.m. at the shop. One of the other two partners owned another business and was, for all practical purposes, a sleeping partner in this firm, while the third partner was much less involved in the day to day operations of the company than Mr. Mani.

PTC, though a small partnership firm, had enormous backing from the business community because of their appreciation for the goals of the company, the extreme dedication of Mr. Mani, and the excellent abilities of the three partners. Thus, PTC was off to a good start. Being very cost conscious, PTC set up a small Cost Analysis Department. As business began to expand, more customer services were added on and the company was known for its excellent wheel balancing services. Because of its reputation, the company was given sole dealership in helmets as well. In 1988, just after two years of the initial start, the company



had to expand its premises, operations, and personnel. With the expansion came the growing pains and Mr. Mani and the two partners had to encounter many small hurdles. Even as they were trying to solve one problem, several others seemed to crop up. Mr. Mani highlighted some of the more serious ones and described them to me as follows.

"Dr. Sekaran, sometimes I wish we had never expanded our business. When we were merely selling tyres, we could easily handle the operations and the workmen and we, the partners were all happy. At first, it was exciting to expand the operations and provide more services to our customers. The smile on the customers' faces as they drive their cars away is still very gratifying. But with our recruiting more and more people, we are beginning to lose control. Often, the customers are not served as effectively as they could be. The personalised touch that we used to give seems to be slowly slipping away. I have been telling the employees that they should be more customer-oriented, but they seem to be more concerned about their own inter-departmental problems and fights. For instance, last week, while a customer was patiently waiting, the mechanic who was to have changed the oil, was arguing for more than half an hour with the purchase clerk about some trivial matter. I almost lost my patience, and was about to give the mechanic a good yelling, when my partner took the mechanic aside and talked to him. The fact that customers are not serviced without delays, bothers me. I wonder if it bugs my partners as well! I have not discussed these kinds of issues with them since I don't want them to think that I am getting unduly worried about small matters.

Another potential problem lies in the way some of the employees come across to the others in the company. For instance, we have a rather brash young engineer. He is thoroughly knowledgeable about his work and is extremely productive. However, he is always very serious and talks in a very abrupt, and sometimes, abrasive manner. Some of his mechanics have come and told me that they are scared of him. I have a set of capable workmen and don't want to lose any of them. I am at a loss to know how to handle this particular situation. I guess if I were this engineer's subordinate, I would be scared of him too; but the engineer is really a nice person, you know. The only problem is that he is too intense and comes across to others as a "grouch." We have a few others who are just the opposite; these guys are laughing and joking all the time and I sometimes wonder if their workers take them seriously at all!

Something else is also engaging my thoughts. Ultimately, I would like to make each of the service departments, profit centres and share the additional profits with the workers. That, of course, is down the road; perhaps three to five years from now. I am thinking that if the employees have a stake in the profits they will work hard and I will not have to put in so much time in supervising them. But then, these guys should all learn to work well together so that there is more collaboration and joint problem solving rather than competition and dysfunctional conflicts. I would like them all to see themselves as one big family where everybody has to work together harmoniously to reap the full benefits. If, somehow, we can develop that spirit of friendliness and cooperation from now on, it would be great!

May be, I am rambling too much, but these and other issues keep engaging my thoughts and I am wondering if you have any advice for me on how I should be handling some of these issues."

Assuming that diagnostic survey does indeed confirm Mr. Mani's statements, you are required to:

1. Clearly identify the problems in the case.
2. Recommend appropriate OD intervention strategies to resolve each of the issues.
3. Explain in detail why you make the particular recommendation and how it will resolve the problem.



# 16

## Managing Organisational Change Processes

Changes are constantly taking place in our environment. For instance, the computer age is transforming the manner in which work is being done in organizations all over the world. John Naisbitt (1982) in his book, *Megatrends*, vividly describes the changes that are transforming society itself. The world is getting smaller and trade and transactions can now be completed in a matter of seconds via highspeed telecommunication technology almost all over the universe. It is not merely the technological environment that is changing; the economic, political, market, social, legal and labour market environments are also changing. For instance, the young, highly qualified, confident, and spirited professionals of today are not of the same breed as their forebears. New ideas, beliefs, and changes are what keep the wheels of business and industry adapting to the environmental changes and keep them forging ahead.

A manager often finds that changes need to be initiated at various levels within the organizational system. In other words, the manager has to ensure that individuals and groups in organizations, and structures, processes, and behaviours of sub-systems, adapt to the changing external and internal environments. In effect, the manager is a change agent who facilitates changes to occur in the various subsystems of the organization as needed. The following are some examples of how managers can bring about needed changes. Changes at the individual level can be facilitated by offering special training to particular employees to handle a new assignment; groups can be helped through team building efforts to operate interactively in a smooth and harmonious fashion so as to increase their effectiveness; changes can be brought about at the technological level through sophisticated and more effective machines or by better ways of doing things; at the structural level, jobs can be redesigned or new policies initiated which serve the needs of both employees and the organization; and changes at the perceptual, attitudinal, and behavioural levels can be brought about by changing the organizational climate. By being able to scan the internal and external environments of the organization and deciphering how changes in these environments are likely to widen the gap between desired and actual state of affairs (performance, productivity, customer satisfaction, employee satisfaction, and the like), the manager can become an effective agent for introducing planned changes. In this chapter we will discuss the manager's role as a change agent.

### How Does One Know When and Where Changes are Necessary?

The easiest way to know that the need for change exists is when the manager finds that the goals set or the end-results desired, are not being achieved or are not likely to be obtained. For example, there may be a big gap between the desired and actual level of productivity, performance targets may not be reached, the morale of the employees in the organization may be low, inter or intra-departmental conflicts might be reaching dysfunctional levels, or the communication breakdowns in the system might be very frequent, impairing the effectiveness of the system (s). Thus, tension points in the organizational system are identified



wherever there is a gap between the desired and actual or expected outcomes. The gaps could occur due to changes in 1. the economic conditions, which in turn affects the supply and demand for capital, labour, raw materials, management know-how and the like; 2. technological developments which introduce a fast rate of obsolescence in the existing ways of doing things; 3. consumer preferences and tastes and the pace of market competition; 4. labour market environment which now consists of a more educated workforce, and more women and minority members; 5. the political climate which seeks more power for one group/faction or the other within the different regional states; 6. composition and characteristics of the Unions which could aid or obstruct organizational goals, and 7. the Government's role in the shaping of business and industry. All these forces in the external environment necessitate organizations to change their internal environment to reduce the gap between their desired and actual end-states.

## **Planned Change**

When changes are effected in a planned manner after assessing the need for change and working out the details of when and how they will be carried out, planned changes occur. This is in contrast to changes that take place in random fashion reactively as crisis situations develop. For proactive changes to be initiated, the manager should be constantly alert to the changes taking place in the external and internal environments of the organization so that corrective action is taken and successfully carried out, thus averting the frequent occurrence of crisis situations. This implies that managers constantly monitor the various environments that the organization faces and be vigilant boundary spanners.

## **Unintended Consequences of Change**

Introducing a change in one subsystem, however, might have certain unintended adverse consequences for the organization because of the unanticipated impact of the change on other subsystems. For example, a change in the layout of the production department to improve its operating effectiveness might pose additional routing time for the raw materials to reach the first point of entry into the production department. This might annoy the people in the materials department, whether or not it increases their operating costs. They might react to the situation by purposely delaying the transmittal of the raw materials. Or, if flexible work hours are introduced in the accounts department because the individuals working there do not come into contact with the public and can get things done more effectively by working flexible hours, another department, which has more married women employed therein, such as the sales department, might ask for the same privileges and feel upset if they are not acceded to because of their impact on the public. The employees' level of motivation might drop significantly because of this. In extreme situations, there might even be a strike! Thus, by introducing a change to solve the problems of one subsystem, other problems might unintentionally be created elsewhere in the organisation. The manager as a change agent, should be aware of this and be particularly sensitive to the interdependence among the units where changes are introduced and the other units that are likely to be directly affected by the change. Units with pooled interdependence will have less unintended consequences for the manager when a change is introduced in one or more of them than units with sequential or reciprocal interdependence. However, units which are in close proximity or share the same sub-cultural values are likely to influence each other and changes made in one subsystem will have an impact on the other. For example, if the typists in one department are given an hour off every Friday for whatever reason, typists in other departments, especially those that are situated close to this department will claim the same privileges. So, every change introduced has to be well thought out as to its effects not only on the system being changed but also on its contiguous units.

## **Introducing Change**

The timing and manner in which changes are introduced in a system have a lot to do with how successful the changes become. Changes can be introduced effectively when factors that would be conducive to the



acceptance of the changes and the factors that would cause people to resist the change are first identified. Once identified, resistance to change can be decreased in various ways including improving the communication process. Kurt Lewin (1951) developed a useful technique — the Force Field Analysis — for diagnosing whether or not a system is ready for change and what can be done to enhance the effectiveness of change strategies. We will discuss them now.

### Force Field Analysis

The theory behind Lewin's force field analysis is that in any given situation, various forces are at work which keep the system either in a state which is ready for change or in a steady state. That is, there are certain forces that operate which prepare or make the system ready for changes to occur. These are called the driving forces. Certain other forces also operate simultaneously that oppose or operate against changes taking place in the system. These are called the restraining forces. If the two sets of forces are equal in strength, then the system is in a state of equilibrium and changes will not occur. If however, the driving forces are stronger than the restraining forces, then the system will be changing to find a new equilibrium as the gap to be filled gets narrowed down. If the restraining forces are stronger than the driving forces, then the time is not propitious for changes to be introduced without efforts being made to reduce the restraining forces, or increase the driving forces. Herbert (1976) and Gray and Starke (1984) suggest that the former strategy of decreasing the restraining forces is better, since merely trying to increase the driving forces might be fraught with risk. That is, as more and more pressure is applied, concentrating on the negative consequences of not subscribing to the change and making that become a driving force, people can get even more turned off. Thus, instead of decreasing resistance, the manager might end up breaking their spirit and resilience. A more viable option is to reduce existing resistance by dealing with and minimising the forces that resist the change. In practice, a combination of both strategies — reducing the restraining factors and increasing the driving forces — often ensures the best results.

Let us illustrate the two types of forces and the concept of equilibrium by means of an example. Let us say that a firm is making a profit of seven percent and wants to increase it to 11 percent. Line A in Figure 16.1 indicates the current equilibrium point, and line B indicates the new desired equilibrium.

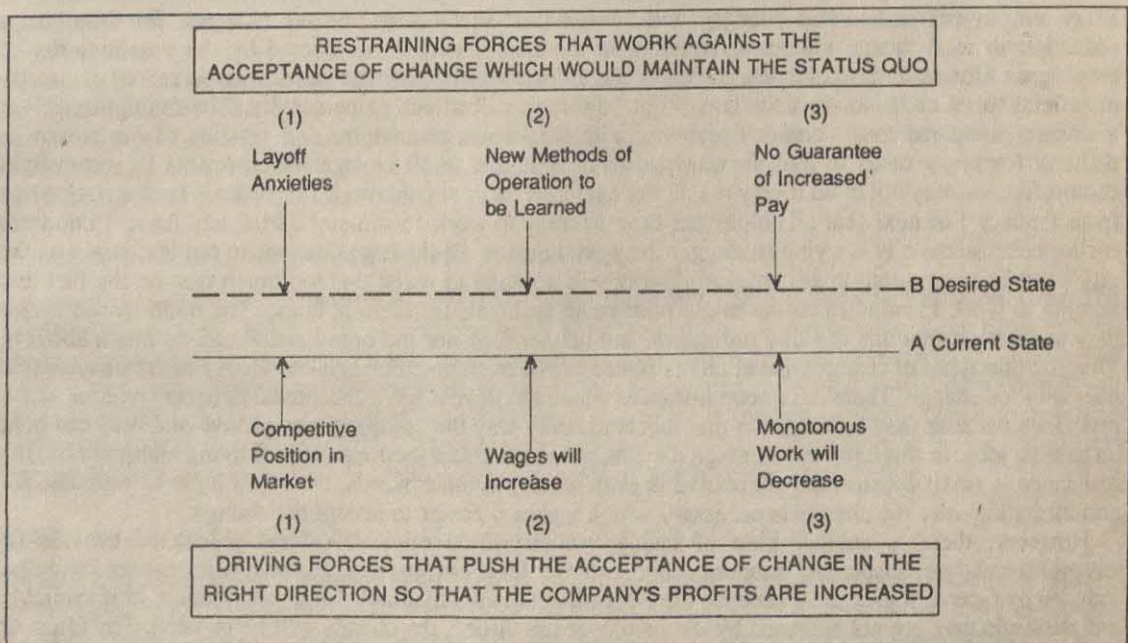


FIG. 16.1 Example of Force-Field Analysis



The company might want to close the gap between the existing and desired states by increasing productivity through new technology. Production will be stepped up by mechanizing the labour-intensive tedious work. Some of the driving forces for this change to occur are: (1) if the company does not keep up with modern technology, it will become less competitive in the market and lose business; (2) if profits do not increase, workers may not get wage increases; and (3) mechanizations will relieve workers of dull and tedious work which is not in the least interesting or challenging. These forces will pull the workers in the direction of accepting the change. However, there are other restraining forces that also simultaneously operate in the situation. Some of these will be: (1) if machines can do the job more quickly and effectively than humans, then at least some of the workers will be laid off; (2) workers will have to learn new ways of doing things and many may be either scared or not willing to learn new methods of operation; and (3) there is no guarantee that while the company will substantially raise its profits, the workers will also receive substantial increases in pay or wages. Thus, the company will reap the advantages at the expense of the workers! While the driving forces will help to push the present state toward the desired state through the change, the restraining forces, as shown in the figure, keep pushing down the company from what it desires to accomplish to where it now is by not accepting the change.

In the above instance, the company can do one of several things. It can decrease the resistance of the workers by assuring them that no one will be laid off because of the installation of the machinery, that workers will be trained to use the machines on company time without loss of wages, and that there will be some kind of bonus or profit sharing plan when the company reaches its goal. This strategy is more likely to have the desired effect of introducing the change with the workers' acceptance rather than merely reinforcing the fact that if the company does not avail itself of current technology, it will liquidate itself in due course of time and the workers will be on the streets. This might only help to frighten the workers into accepting what the company has decided to do with or without the workers' acceptance. The resistance to change will then still persist with adverse consequences as described later.

## Resistance to Change

When employees realise that changes will benefit them, they welcome the changes. For instance, a reduction in work hours without a reduction in the salary, will be welcomed by the vast majority of employees. However, most of us are generally uncomfortable with changes that are not perceived as directly beneficial to us or if we are uncertain about how they will affect us personally. The ambiguity of the unknown compared to the comfort of living with the known procedures and systems of the present is difficult for many of us to look forward to. Also, if it is a small change which results in some slight discomfort, we may not mind it very much. For example, let us say that an office order is issued stating that from January 1 of next year all employees have to come to work 15 minutes earlier and leave 15 minutes earlier because the city is trying to stagger the work hours of all the organizations to put less strain on the city's public transportation system. Employees will not tend to resist this too much despite the fact that coming to work 15 minutes earlier might pose some problems for them at home. The main reason is that they understand that this is a city ordinance, and neither they nor the organization can do much about it. Thus, certain types of changes that elicit resistance can be overcome through knowledge of the unavoidable necessity for change. There have been instances where employees have accepted cuts in pay without much resistance because they have known that this is the only way the company can survive and they can hold on to their jobs. In this case, even though the change would affect their standard of living significantly, the resistance is small because the alternative is even worse. In other words, there is a logic or rationale for understanding why the change is necessary which makes it easier to accept the change.

However, there is another kind of change which would elicit emotional resistance because of psychological fear, suspicion, insecurity, and extreme levels of anxiety. If these fears cannot easily be reduced by facts or logic, either because the facts are not readily available for dissemination, or if available and disseminated, are not accepted by the employees as "true", the change will be resisted. The effort to bring in IBM computers to computerise the routine transactions of our banking industry in the three decades



starting from the 1950s is a case in point. Though in the minds of the management, the computer would only be used for simple and routine payroll type of work to reduce monotonous labour and clerical errors, to the bank employees the computer meant a loss of jobs and less job opportunities for the future in a country which already has a high unemployment rate. Employees conjured up visions of being jobless and starving in the streets. The result was that the perceived magnitude of the adverse consequences of the change that was to be introduced was matched by the magnitude of the resistance by employees which took the form of strikes and picketing. Thus, changes which touch the emotional or psychological chords of fear and insecurity will be resisted much more than concerns that can be addressed and understood by pure logic.

### **Understanding Resistance to Change**

Changes may be resisted due to several different reasons — economic, social, security, fear of losing authority and status, having to make additional efforts to overcome technological obsolescence, comfort with the status quo, and not having had a say in deciding what changes will be introduced. Let us examine these in more detail before we look into other reasons for resistance to change.

#### ***Resistance due to Economic Threat***

Sometimes, as just discussed, changes may be perceived to threaten the economic well-being of individuals. Many technological sophistications of the modern era are perceived threats to jobs and the economic security of the individual. In a populated country such as ours, better ways of doing things carry with them the fear that less people will be needed to do the same jobs. Thus employees might fear losing their jobs. The economic threat then becomes very real in the minds of the employees, who hence tend to resist changes, despite the fact that a number equivalent to the displaced employees will be utilised in manufacturing the new technology which would replace the old.

#### ***Resistance due to Social Concerns***

Sometimes even simple changes in the layout of the workplace could be resisted by employees because it upsets their social set-up. Social relationships established among members of a group are motivators of behaviour since group norms get established. Members of close-knit groups look forward to coming to the workplace because of the special relationships they have established with each other, and employees experience satisfactions at the workplace because of their interactions with close colleagues. Hence, even simple changes in the layout of the workplace are likely to be resisted because they break the pattern of existing social networks. We find transfers from one department to another, or from one city to another traumatic for the same kinds of reasons.

#### ***Resistance because of the Need for a Security Blanket***

Apart from economic and job security, we all like to have some predictability and structure in our lives. The need for this security blanket (Gray and Starke, 1984) also makes us apprehensive about changes. For instance, most of us know very well how to do our present jobs. When changes are introduced, it causes us some apprehension that the current methods will no longer be pursued and a new way of doing things will have to be learnt. We are not sure that we would become as adept in the new method (even after practice) as we now are with the current method. The unpredictability of our effectiveness in the new system implants a sense of insecurity in us, which most of us try to resist as much as we possibly can.

#### ***Resistance due to Apprehension about Undermining of Status and Authority***

An added fear is that when changes in technology or improvements in work methods eliminate a layer of supervision, supervisors might feel their authority and status undermined. Recently in a bank, it was decided that the supervisors did not have to exercise a 10 percent random check on the work done by coders which was already checked for accuracy by a senior clerk. This caused widespread concern among the supervisory



staff as to whether they were being stripped of their authority and power. The fear that arises in the minds of those in authority is, "I have no control over the subordinates and they will not respect or obey me".

### *Resistance Stemming from Need for Retooling and Retraining*

Closely allied to the security blanket is the concern for retooling and retraining oneself all over again. In other words knowing that one has perforce to learn new things might also be a factor in resisting change. For instance, technological changes mean the retooling and retraining of people in various jobs. Many professionals, even with doctoral degrees who had had their education prior to the advent of the computer era and personal computers, are scared to interact with the "black box". Constant updating of knowledge and retooling, especially in certain kinds of professions which have a fast rate of obsolescence, is therefore imperative. However, most of us have become comfortable with the way things have all along been and prefer the status quo. This adds to our resistance to change.

### *Resistance because of Non-involvement in the Change Process*

Frequently, resistance stems from the fact that employees are not consulted regarding the changes that are initiated by managers. When changes are incorporated with very little input from those who are affected by the changes, people have very little stake in ensuring that the new system will work. On the other hand, if contemplated changes have been the result of employees' ideas and inputs, they will be personally interested in making the change work. Thus, not only will they not resist change, but on the contrary they will work hard to ensure its success! The danger of not involving employees in change processes can be illustrated by the following anecdote. Recently, a University made certain changes (and for very good reasons!) in the reward systems for faculty members in terms of their performance in the areas of teaching, research, and service. However, most of the faculty was not consulted about the change and their votes were not obtained in advance. This led to some key faculty members, who were nationally reputed, leaving the University within the next year!

### *Resistance due to "Sunk Costs"*

Apart from the above reasons, in many cases, if older employees seem to resist changes more than younger employees, it may not be due to the "rigidity and inflexibility of old age". Employees who have been with the organization for a long time, have obviously invested a lot of time and effort in learning, getting used to, and perfecting the older ways of doing things than have the younger people who have more recently joined the system. Thus, the older employees have more of a psychological investment in older traditions. Kerr and Kerr (1972) refer to this as "sunk costs" of energy and experience. Thus, there is a greater resistance in changing to new methods, abandoning the "tried and tested ways of doing things". Some people might also resist changes more than others, due to their personality predispositions. Individuals who have a low tolerance for ambiguity and low propensity to take risks and challenge, are more likely to resist change than those who have higher levels of tolerance for ambiguity and are greater risk takers (Nedd, 1971). A combination of factors discussed so far, operate in any given situation for most individuals, which makes change a rather difficult phenomenon to readily accept.

### *Consequences of Resistance to Change*

If organizations do not overcome employees' resistance to change, they may have to pay a price. The consequences to the organization may be drastic, depending on the extent of resistance exhibited by employees. Employee reactions to change can be overt, subtle, implicit, immediate, or deferred. Sometimes, where changes of great magnitude are introduced without employee acceptance, the consequences may be overt, such as a strike. Needless to say this would cost both the organization and the employees a lot of pain. Employees need not always be as overt in their resistance to change as to strike, but they could react in very subtle and dysfunctional ways. They could, for instance, introduce errors in their



work deliberately and mess up the end product. On the other hand, the reaction of employees could be very *implicit* and not easily visible on the surface. An example of this is alienation or psychological withdrawal of employees from the job. When employees are there only in body and not in spirit, it will ultimately show in their organizational loyalty and quality of performance. *Immediate* resistance to change would be reflected in absenteeism and tardiness. *Deferred* reactions will be reflected in high rates of turnover.

## The Three Steps in Introducing Planned Changes

Kurt Lewin, the father of Change Processes, identified three phases in initiating and establishing any change—unfreezing, changing or moving, and refreezing.

### Unfreezing

Unfreezing is actually the process of preparing the system for change through disconfirmation of the old practices, attitudes, tendencies, or behaviours. This is the initial phase where those involved in the change experience a need for something different and a sense of restlessness with the status quo. In essence, the feeling that the system is hurting itself badly now and desperately requires a change if it is to survive, is sensed by all. An excellent example of this is the recent hue and cry in the USA that the elementary, secondary, and high school education in the country desperately needed to be improved. Here, parents, educators, students, the job market, and the society itself was hurting because of the “educated illiterates” that America was producing. Americans feared that the USA will fast become a nation of illiterates who will be unable to contribute to the nation’s progress and prosperity if things continued the way they were. The society was hurting so much that it wanted changes in the educational system — better qualified and motivated teachers who would produce competent scholars and not illiterates who have gone through the motions of the educational processes without learning anything. The need for change was recognized and desired. The system was unfrozen from its complacency that everything was fine with the pre-college educational system

### Changing or Moving

Changing or moving is the phase where the changes that have been planned are actually initiated and carried out. Changes could relate to the mission, strategy, objectives, people, tasks, work roles, technology, structure, corporate culture, or any other aspect of the organization. Well thought out changes have to be carefully implemented with the participation of the members who will be affected by the change. Changes incorporated too quickly without adequate preparation will result in resistance to change.

### Refreezing

Refreezing is the last phase of the planned change process. Refreezing ensures that the planned changes that have been introduced are working satisfactorily, that any modifications, extra considerations, or support needed for making the change operational are attended to, and that there is reasonable guarantee that the changes will indeed fill the gap and bring the system to the new, desired state of equilibrium. This necessarily implies that the results are monitored and evaluated, and wherever necessary, corrective measures are taken to reach the new goal. If the refreezing phase is neglected or improperly attended to, the desired results will not ensue and the change may be even a total disaster.

## Strategies for Introducing Planned Change

Chin and Benne (1976) describe three strategies that managers commonly use to introduce change. They are: empirical-rational, normative-reeducative, and power-coercive.



### **Empirical-Rational Strategy**

Managers who act as change agents might subscribe to the belief that people are rational and if they understand that the change to be introduced will benefit them, their self-interests will guide them to accept the change. In other words, the rational human being who is motivated by self-interest will react positively to change if the benefits of the change to the individual or the group are properly understood. So, if the manager explains the benefits of change to the employees and then introduces it, it is likely to be a success.

### **Normative-Reeducative Strategy**

In the normative-reeducative strategy the belief is that people are guided by the socio-cultural norms that they subscribe to. Changes do not always take place merely because they make sense to people at the rational or cognitive level but changes become acceptable because they are in-keeping with the personal values and belief system of the people. Thus, when changes appeal to the socio-cultural norms of individuals affected by the change, they are successfully implemented. Hence, when the necessary changes to be made are identified, the change agent and those who will be influenced by the change should participatively and collaboratively plan and implement the necessary changes. This will ensure that successful changes occur in the system because people have internalized the need for changes as they worked together in developing and implementing them.

### **Power-Coercive Strategies**

Power-coercive strategies are used by change agents who operate under the assumption that people with less power will comply with the changes brought about by those with more power in the system. This strategy will utilise legitimate authority, rewards, and punishments as means to enforce change. Though people may respond because of fear, they may resist the changes psychologically and react in subtle ways, as discussed earlier. The compliance to any orders imposing changes will be of a temporary nature and once the change agent is out of sight, people will revert to their old ways of doing things.

As we can now see, resistance could be to the change itself, to the change strategy, to the timing of the change, or to the person introducing the change. There is no one best way to deal with all situations and Kotter and Schlesinger (1979) suggest a contingency approach to dealing with resistance to change. They identify six general approaches to handling resistance, which are briefly described below.

### **Education and Communication**

When there is a dearth of information or when inaccurate information is floating around, the change agent can discuss the contemplated change on a one-on-one basis, or through memos and circulars apprise the employees about the logic of the proposed change and how it will benefit them. Once people have bought into the idea, they will implement the change. The only problem is that this could be a very time consuming process, if too many people are to be communicated with.

### **Participation and Involvement**

Get people involved in the change process by including them in the design and implementation of the change processes. Once people have had an opportunity to contribute ideas and become a part of the change process, they will be less inclined to see it fail. However, working in committees or task forces is a time-consuming activity, and hence it will take a longer time to bring about changes.

### **Facilitation and Support**

Where people have mental resistance to change because of fear of inability to readjust, it is useful to provide emotional support to those who are affected by the change. This support can be given through empathic listening, offering training and other types of help. Such facilitation and emotional support helps individuals



to deal more effectively with their adjustment problems. This process though, can be time consuming and there is no guarantee that it will always work.

### ***Negotiation and Agreement***

Certain individuals or groups who wield power might resist change because they will be at a disadvantage when the proposed change is introduced. In such cases, resistance may be overcome by offering some kind of incentives or special benefits to the resisting individual or group in order to ensure that the change will not be blocked. Though in some instances this may be the relatively easy way to gain acceptance, it is possible that this could be an expensive way of effecting changes as well. Also if the use of this strategy becomes public knowledge, others might also want to try to negotiate before they accept the change.

### ***Manipulation and Cooptation***

To obtain maximum support for the contemplated changes, covert attempts to influence others may sometimes have to be resorted to. This could include such tactics as selectively sharing information and consciously structuring certain types of events that would win support. This can be a quick and relatively easy and inexpensive strategy to gain support. However, the purpose will be defeated if people feel they are being manipulated.

### ***Explicit and Implicit Coercion***

Sometimes people may have to be forced to accept change by threatening those who resist with undesirable consequences. This strategy can be particularly resorted to when changes have to be speedily enforced or when changes are of a temporary nature. Though speedy and effective in the short run, it may make people angry and resort to all kinds of mean behaviours in the long run.

### **Other Strategies for Introducing Change**

Gray and Starke (1984) explain that in addition to communicating the advantages of proposed changes, several other methods can be adopted to make changes less traumatic for employees. For instance, when making frequent changes becomes the norm in the organization, and when changes are managed well, people get more used to adapting to changes and their fear of new situations gets successively reduced with each change. Introducing *multiple changes* is also good, since the incremental resistance to several changes is only slightly greater than adjusting to a single change. Also when multiple changes are introduced, the potential benefits from several different changes are substantially greater than the potential negative effects spread across them. A third way is to introduce change by *working through the informal leaders* of groups. Since informal leaders have a lot of power in the group, by coopting them in the change processes, changes can be introduced with least resistance from employees. If a system-wide change is contemplated, the best place to start the process is where the restraining forces are the least and there is a more ready inclination for change.

### **Change Must be Managed**

Changes must be planned and actively managed if organizations are to survive and grow. Kanter and Stein (1980) suggest that where large-scale changes are involved, special structures such as a high-level steering committee or advisory group may be necessary to manage the transition. Kanter (1983) states that effective change masters combine a steadfast vision with a willingness to be flexible as they travel the path to reach their goals. Managing change thus becomes an important part of the managerial job. Constantly assessing where we are and where we want to be, alerts managers to the changes that are needed to be embedded in the system. A planned change has then to be carefully worked out to fill the gap. Thereafter, depending on



the situational context in which the change has to be embedded, an appropriate strategy to implement the change has to be decided.

## Summary

Change has to be managed. Changes may be necessary and can be initiated at the individual, group, or organizational level. While some changes can be managed by appealing to the rational or intellectual side of people, others can be brought about only by allaying the fears that personnel have at the psychological and emotional levels. A common problem encountered by managers in implementing planned changes is resistance by employees. By understanding the sources from which the resistance springs, managers will have a better handle on how to deal with resistance to change. Since handling resistance is a situational phenomenon, managers should be able to use the most appropriate situation-specific strategy to deal with resistance. Successful changes reduce future fear of changes in organizational systems.

In the next and final chapter we will discuss the notion of organisational effectiveness, a concept every manager is interested in, and an end result that all managers would like to achieve. We will also discuss future trends in O.B.

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## Discussion Questions

1. Why is it necessary for the manager to be the change agent? As a change agent, what are the responsibilities of the manager?
  2. A professor is very concerned about the types of solutions that business students generate in case study analyses since there is no logical consistency among the problem statement, the causes cited, the alternative solutions generated and the best solution they arrive at. Hence, he is seriously thinking of asking the students to back up their case analysis results with a computerised "inference engine" technique. Though that is a new computer skill that the students will have to learn, it will help them to immediately detect their own haphazard thinking since the computer will not generate the right solution with wrong logic. Thus, their case analyses will be much better.  
Do a force field analysis for the professor and advise him whether or not the proposed change will be successful.
  3. Based on your force field analysis, what is it that the professor can do to reduce the restraining forces?
  4. Discuss in detail, giving illustrations, how the three steps in Lewin's change process model will be applied by the professor in introducing the contemplated change above.
  5. Which of the three change strategies should the professor use for introducing the change? Why?
- 

## Exercise on Organisational Change

The class average during this semester looks as if it is going to be less than a "C" and there does not seem to be any chance of anyone in the class obtaining an "A" grade. This is unfortunate since the course is an important one for your particular career. The professor is offering your class the option of submitting an additional "individual term paper", which was not originally on the syllabus, to try to improve your grade. The only condition that the professor imposes is that the entire class should vote on whether or not it wants to take advantage of this opportunity to enhance members' grades. The probability of the vast majority of the class participants improving their grade by one level up is high; however, there are only three more weeks for the semester to end and the professor's expectations are usually high!

### REQUIRED:

Use a Force Field Analysis to decide whether or not the class will choose to take advantage of the opportunity given to them.



## A Case Study

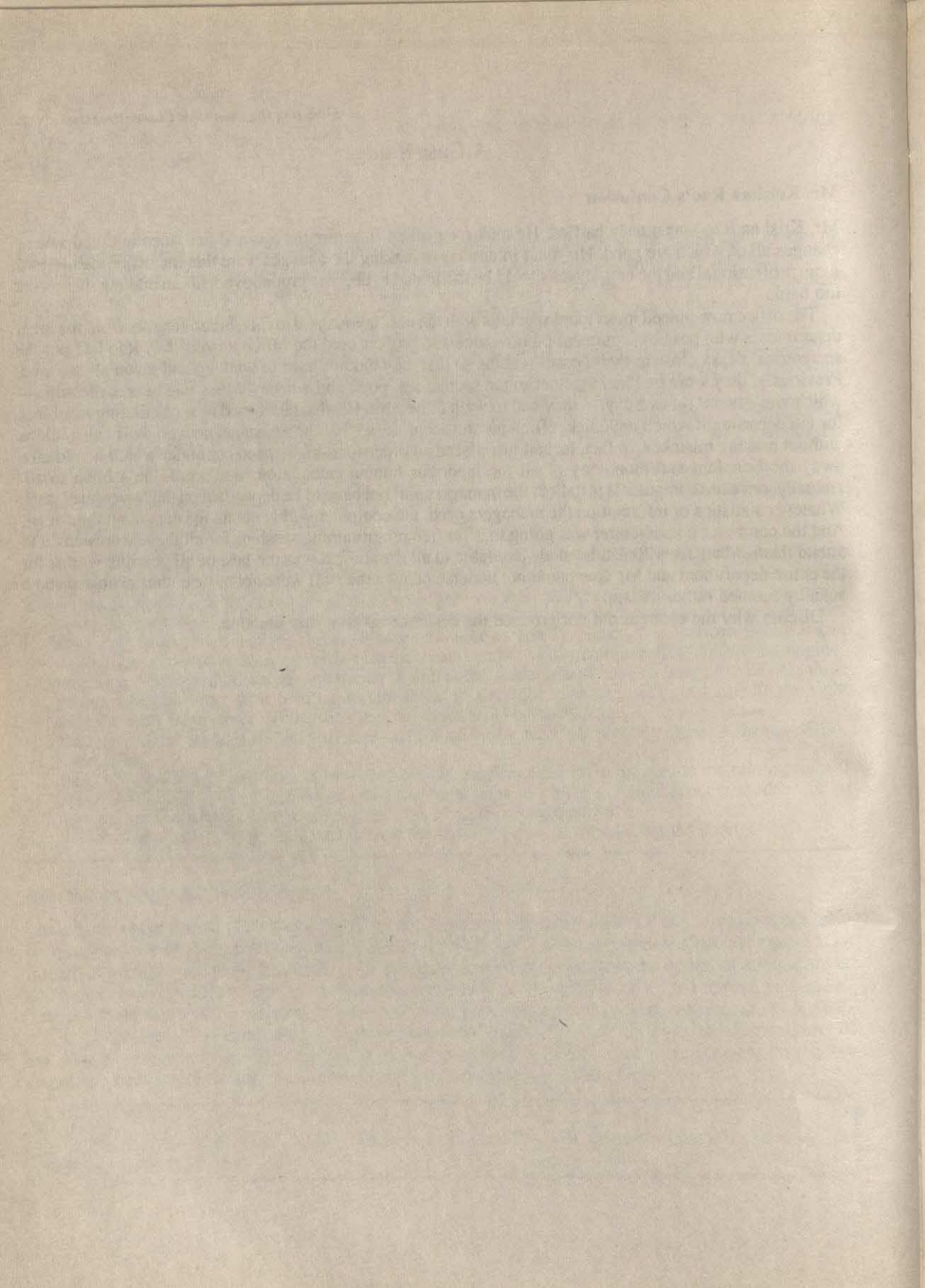
### Mr. Krishna Rao's Confusion

Mr. Krishna Rao was utterly baffled. He took over office four months ago and has since initiated several changes all of which are good. His main intentions in making the changes were that the office should look more professional and the employees should be facilitated to become productive without making them work too hard.

The office now indeed looks more spacious with the new layout, and in fact, his colleagues from the other departments who pass by, comment on how nice and professional the office looked! Mr. Rao had put the secretaries' desks close to their bosses' cabins so that they did not have to walk up and down all the time. Previously, they were huddled together in the secretaries' pool, and whenever they had to take dictation—which was several times a day—they had to walk quite a bit. He also purchased new calculating machines for the department which are quick, efficient, and accurate, so that the assistants now do their calculations without making mistakes. In fact, he had just placed an order for a high-speed computer which would take away the boredom and monotony of all the laborious human calculations and would be a boon to all. Actually, once the computer is installed, the managers will not have to be dependant on the lower level staff. Whatever statistics or information the managers need, the computer will generate the data in no time at all. And the computer manufacturer was going to offer free programming sessions for all those who wanted to attend them. Manuals will also be made available to all the staff. It was the best of all possible worlds for the entire department and Mr. Rao could not understand why the staff were not more enthusiastic and some actually seemed rather unhappy.

Discuss why the changes did not produce the desired results in this situation.







**PART SEVEN**

**Organisational  
Effectiveness**



PART SEVEN

# Organisational Effectiveness



# 17

## Managing for Organisational Effectiveness and Future Issues in OB

Knowledge about Organisational Behaviour helps the manager to effectively handle individuals, groups, and organisational resources so as to achieve the goals of the organisation, and at the same time, enhance the quality of life for employees who are facilitated to reach their full potential. Organisational behaviour, as we noted in the first chapter, denotes the actions and reactions of individuals, groups, and sub-systems within the organisation to various stimuli in the internal as well as the external environment. These actions and reactions can be managed and the energies of the system harnessed and channelled to attain the goals of the organisation by ensuring the right fit or match among the human resources, the jobs, the organisational structures, and the management processes.

The many concepts, topics, and theories in this book should enable you to manage organisational behaviour to attain organisational effectiveness. Organisational effectiveness (OE) is a term that is more comprehensive than is reflected by mere good performance and productivity of members, or the financial success indicants of assets acquisition and profits. OE reflects how effectively the organisation can discharge its obligations with respect to all its constituencies in its internal and external environment including employees, shareholders, customers, suppliers, government agencies, and the general public. The growth, development, motivation, morale, and satisfaction of the employees in the system combined with the good image projection of the organisation to its various constituencies (or the publics as they are known), account in turn, for continued organisational health, vitality, and growth which account for the organisation's effectiveness. Thus, OE is reflected in how well the organisation is equipped to:

- (1) handle its survival function through successful coping, and
- (2) its growth in the future through creative adaptation strategies.

We have described an organisation as a purposeful system with several subsystems, where certain pre-determined goals are achieved through division of labour and coordination of activities. The effectiveness of the organisation stems from the fact that the inputs into the organisation are carefully selected and the throughputs or transformation processes are properly handled. We can thus use the input-throughput-output model to examine OE and see how the various topics covered in the book relate to OE, the ultimate goal of any organisation.

### An Input-Throughput-Output Approach to OE

If we consider OE as the final outcome or output for the organisation, then the quality of the output is, at least partly, a function of the quality of the inputs into the system. Not only should the inputs be of high quality, but the transformation processes or throughputs should also be handled well. OE, the output, is thus dependent on both inputs and throughputs. Let us examine each of these components in some detail.



## Inputs

For most organisations, the inputs constitute human resources, several types of raw materials, financial resources, the structure or facilities within which the operations take place, utilities, and the other infrastructure items necessary to conduct the affairs of the organisation. While most of the non-human resources can be brought into the system with precise knowledge as to their utility and effectiveness, the acquisition and further development of the right kind of human resources is governed more by the subjective, and often imprecise, judgement of the recruiter and the manager. This is because the job incumbent brings to the work setting, not only the qualifications as stated on his or her resume but a lot of other personality dimensions including predispositions, values, expectations, attitudes and behaviours which cannot be easily or correctly assessed during one or two interviews. The quality of the acquired human inputs may, in some instances, not be apparent for several months, and in some cases, for a few years! Thus, it is the management of the human resources that is extremely challenging at the throughput stage — not the processing of raw materials or the utilisation of machine capacity. The deployment of capital, machinery, and other non-human resources lends itself to mathematical formulae and quantitative analysis. A good training in production-operations management, decision sciences, accounting, and finance will enable the manager to attend properly to the throughput processes which involve the deployment and utilisation of non-human resources. But the management of human resources which is a vital component of the throughput process, needs a greater knowledge and a deeper understanding of human behaviour at work and the application of organisational behaviour concepts and theories. Let us now discuss some critical managerial functions, activities, and the required skills at the throughput stage.

## Throughputs

Transformation processes take place at all levels in the organisation — from the Board of Directors to the lowest level of workers. The quality and nature of the throughputs vary, depending on the organisational level at which they occur. At the very top level of the organisation, the transformation processes involve conceptual and mental gymnastics which are grounded in reality. Top managers at the Board level have to accurately sense the external environment, process information correctly, and apply good judgement to transform the vague dreams of entrepreneurs into organisational realities. Top management offers the vision and a sense of direction to the organisation by formulating the mission, and the broad goals, strategies, and objectives for the organisation. The mission statement delineates the overall business or service the organisation is in, thus defining its purpose or rationale for existence. The goals offer a sense of what the broad results desired to be achieved are, thus offering an overall sense of direction towards which the organisation should be heading. Strategies indicate the means that will be pursued to attain the goals, thus formulating mechanisms through which the desired ends will be reached. Objectives offer the foundation on which planning can take place. We can clarify these concepts with an example. In the university setting, the stated mission of the institution could be that it is in the business of enlightening the minds of students. Its goals and objectives are to graduate students so that they become literate in their chosen fields, become better citizens, are trained for jobs, and develop a thirst to seek further knowledge. The university pursues several strategies to attain these goals; it offers general education courses as well as discipline-oriented technical courses to educate the mind and offer job related knowledge. Often, internship and externship assignments are used as strategies to prepare students for jobs and foster in them the eagerness to learn, develop and grow on a continual basis. The university formulates different objectives for itself, for department, and for its students. The broad plans for achieving the goals are laid out in terms of two to five or more years of educational programmes.

The foundation for organisational effectiveness is laid by top management. If the mission is incorrectly stated or the wrong goals, strategies, or objectives are formulated, no matter how well the other tasks get done, the organisation will not be effective. Thus, one of the most critical first steps in the ideas transformation process is initiated at the top management level which enables the organisation to effectively



survive, adapt, and grow. Needless to say that top level managers must have vision and should possess excellent sensing, information processing, conceptual, and judgement skills.

At the next level (the second layer of management) the broad mission, goals, strategies, and objectives laid down by the Board of Directors is translated into policies and action plans. The organisational philosophy and culture are consciously transmitted to the system from this level through various rites, rituals, myths, stories, and symbols. In addition, a lot of planning, organising, and coordinating of efforts is undertaken so that the appropriate structures are laid down for the broad goals to be transformed into doable activities which will lead to ultimate goal attainment. Short-term and long-term goals and plans are developed at this level and an organisational structure is created such that the division of labour and coordination of activities are effectively handled to provide synergy to the system. Theories relating to the environment, structure, and technology, and the concepts and principles regarding departmentation and differentiation and integration come in especially useful for managers at this level.

At the next level, usually referred to as the middle management level, the short range and middle range goals and plans are acted upon. More detailed medium and short-term plans are drawn up at this level. The structure and processes by which staffing, organising, directing, controlling, and motivating employees to attain the organisational goals are evolved and determined by these managers. Hence, theories relating to individual and group behaviours, motivation and reinforcement, job design, and organisational change processes and organisation design and development, help managers at this level to practice the art and science of management by managing the throughput processes in a way that will lead to OE. Understanding the concepts of leadership, communication, and conflict management, and knowledge about research processes and the applicability of the research results of other studies to one's own system are particularly valuable at this level. Middle managers also find themselves handling issues of power and organisational politics much of the time, whether or not they care for these.

At lower levels of management, the day to day detailed activities assume importance, and knowledge of theories and concepts mentioned above can be effectively used to get the job done through subordinates. More of the nature of managerial activities described by Mintzberg in Chapter 2 would be manifest at this level, where brevity, fragmentation, and interruption of activities will be quite pronounced. Organisational politicking may be resorted to by machiavellian managers. This would be manifest at the next supervisory level also, where the individual is positioned and caught between the worker and the first line manager. The supervisor's duties encompass a short-term time frame which involves day to day planning, scheduling, and coordinating of activities. Technical expertise and administrative skills are absolutely essential at this level in addition to being able to lead and motivate the workers and control organisational results. Stress management and conflict management skills will be necessary and used on a daily basis by supervisors in some situations. At the worker level, technical expertise is the most important necessary skill for effective transformation to take place. When workers understand their need patterns, have good communication and interpersonal interaction skills, and are knowledgeable about the power pockets in the system, they can raise the quality of their work lives by achieving what they desire.

### Control Mechanisms

A common activity that pervades all levels in organisations and contributes to organisational effectiveness is controlling results. The term control signifies that any negative deviations from planned results are corrected through action steps. The control process comprises three steps — measuring actual performance, comparing it with the standards set, and taking action to correct deviations either by raising output or, if necessary, revising the standards that might have been set unrealistically.

Measurement of actual performance is usually determined through personal observation, statistical reports, and other oral or written reports. In some kinds of activities (such as service activities), measuring performance is not easy. For instance, if one supervisor has serviced two clients while another has processed four, unless one gets into the details of the components of the services rendered, the difficulty or ease of taking care of the client's needs, and so on, it would be practically impossible to compare the performance of the two employees. The performance of a researcher is likewise difficult to measure. However, most activities lend themselves to measurement by breaking down the tasks into objective segments.



Financial and budget controls are almost always applied in organisations. Line managers usually exercise control over production quotas, sales figures, number of customers served, customer complaints, and so on. Workers have their own methods of rectifying problems too (that is, they exercise their own control mechanisms), knowing what the acceptable performance standards are in the organisation. Thus, any variations or deviations from the acceptable standards are closely monitored and action taken to correct the situation at various levels.

### Control Systems

Managerial control systems can be applied in three different ways (1) feed forward, that is, control systems installed before the activity starts; (2) concurrent, control mechanisms are in place simultaneously with the occurrence of the activity; and (3) feedback control, that is, control exercised after the activity is completed. Feedforward controls, the most desirable system, prevents foreseeable problems. For example, delays in projects can be averted by hiring more people from the start of the projects. Direct and immediate supervision of activities is an example of concurrent control. Computer systems can also often provide concurrent controls. Feedback control is the system that most organisations use. Here, corrective action is taken after the error or variance has occurred. For example, if an appliance is found not to have been properly manufactured to ensure safety, it could be recalled from the purchasers and set right, or if the reorder quantities were insufficient and timely deliveries could not be effected, corrective action in terms of increasing the reorder quantities will avert disaster the next time.

Designing appropriate control systems is important for organisational effectiveness. The design should meet the criteria of: (1) accuracy — the control system should generate accurate information that helps managers to take corrective action; (2) timeliness — it should be able to detect deviations in time for corrective action to be taken, as for instance, receiving interim statistical reports while the production period is still current; (3) economy — it should not be so expensive that the cost of the control mechanism outweighs its benefits; and (4) flexibility — it should be adaptable enough to take advantage of newly occurring opportunities due to changes in the external environment of the organisation.

The bigger the size of the organisation and the more diversified the system is, the greater is the need for more sophisticated control systems. Some cultures place more importance on installing information control systems than others, and usually resort to the development of management information systems (MIS). Rather than provide a whole range of data, both of a major and minor nature that the statistical reports usually do, MIS offers pertinent information for managerial control and decision making. The current MIS systems rely heavily on software packages for creating and implementing controls. Additionally, networking interconnects various managers through the personal computer so that control mechanisms can be jointly set or implemented with full knowledge of the most up-to-date production data or other relevant information.

Thus, the throughput processes include various mechanisms to attain organisational effectiveness. Different kinds of managerial skills are needed at various levels to attain effectiveness. At the junior or first level of management and at supervisory levels, more technical and administrative skills and a good amount of human resources management skills are called for to transform raw material inputs into outputs and to achieve organisational effectiveness. At the middle levels, more knowledge of the managerial functions of planning, organising, coordinating, and directing, and less detailed technical knowledge about the non-human raw materials transformation processes are called for. Effective leadership styles and good motivational techniques create the right organisational culture and climate in which the employees perform, develop, and grow. Employee development is a significant part of the transformation process inasmuch as the human inputs into the system are themselves being transformed to become more effective and to take on higher level positions in the future. At the very top level, special skills are called for which are more conceptual than managerial or technical in nature. Thus, at different levels of the organisation, the nature of the transformation process and the skills required for effective transformation, are somewhat different.

In essence, throughput processes encompass: (1) appreciative judgement and sensing from relatively few overt signals from the environment; (2) constant adapting and coping; (3) organising the units to make



routine and nonroutine decisions under perceived conditions of certainty as well as uncertainty; (4) utilising the scarce and valued resources acquired from the environment as inputs through an appropriate choice of technology, structure and processes; and (5) delicately balancing and juggling the resources with an eye to attaining both the short-term and long-term goals and objectives of the organisation. These call for different mix of skills at the various managerial levels.

## Outputs

The readily visible outcomes relate to such financial aspects as sales, assets, and profits. While these are necessary for the survival of the organisation, there are several other outcomes that are essential for the health, vitality, and continued growth of the institution. These are reflected in such intangible aspects as employee satisfaction, development and growth; customer satisfaction; good reputation and image building; being recognised for social corporate responsibility (that is, making contributions to a good quality of public life); and good relationships with government and the other publics. Sometimes the tangible financial aspects may have to, at least in the short run, be compromised to achieve the long-term growth objective. A good example is increasing the market share through price reduction.

OE comprises both the survival and growth dimensions of the organisation. OE is reflected in the tangible current financial stability of the institution as well as in the intangible goodwill gained from its various constituencies which augurs well for its future welfare and growth. A good balance between managing the stability and growth objectives puts the organisation in a state of dynamic equilibrium, where things are neither so static that the organisation might be wiped out by competitors in the future, nor so constantly in flux that its current stability is at stake.

In searching for a universalistic definition of OE and how it is to be measured, theorists have not yet come up with any good answers. Thus, today, we are still in search of an acceptable definition and measurement of OE. After reviewing a decade of literature on OE, Sekaran and Snodgrass (1988) have offered a cultural perspective to the definition and measurement of OE which we shall presently examine.

## Culture's Impact on Defining Organisational Effectiveness

As stated, the concept of OE has eluded a precise definition and measurement. Sekaran and Snodgrass (1988) have argued that there can be no universalistic definition of what OE encompasses and that the concept should be defined in terms of what is "valued" by members of a society at the macro level. Taking Hofstede's (1980) empirically established dimension of Masculinity versus Femininity (refer to Chapter 1 for details), Sekaran and Snodgrass state that what members of society will expect of organisational contributions in masculine cultures will be quite different from the expectations of societal members in feminine cultures. Remember that masculine cultures aim at monetary gains, bigness, and structures that display power and wealth. This is in contrast to feminine cultures where quality of life values and smallness are valued. In masculine cultures societal members will expect organisations to contribute substantially to the gross national product. They will tend to assess organisational effectiveness through such criteria as the profits made by the organisation, return on investment, sales turnover, market share, growth rate, and the productivity of organisational members. In feminine cultures, the societal cultural expectations will be more in terms of the satisfaction and welfare of the people in the society rather than monetary gains. Since feminine cultures emphasize quality of life more than GNP, the societal expectations of organisations in such cultures will be customer satisfaction, product quality and safety, quick service, clean air, and social responsiveness. Profits and expansion of market share measures of effectiveness will be secondary in these cultures compared to the quality of life measures of OE. Thus, the goals set by the organisation and the OE measurement will be a function of the macro cultural values prevailing in a society. Hence, financial success will not always be the primary criterion to assess organisational effectiveness. For instance, a study conducted by the Foundation for Organisation Research in several hundred Indian public, private, and government organisations in 1984 indicated that Indian managers ranked morale, teamwork, and job satisfaction as the most important indicators of effectiveness (Sunderarajan, 1985). Even managers in the



profit-motivated private sector ranked profits as only fifth in order of importance. This meshes in with India being neither highly masculine nor feminine as per Hofstede's (1980) findings. Thus, each culture will assess the effectiveness of organisations differently, attaching different weights to the financial and quality of life criteria of success.

### **Culture's Impact on Throughput Processes**

Sekar and Snodgrass also stress that OE, however it is defined by the organisation, has to be achieved by designing systems which are congruent with the organisational members' preferred cultural values on how they would like to, or are predisposed to, operate. In other words, the throughput processes must be congruent with the cultural values of individualism-collectivism, power distance, and uncertainty avoidance. Members in individualistically oriented cultures would prefer to act independently and be rewarded for their individual efforts in contrast to members in collectivistic cultures where group work and group rewards will be valued more. In countries where the power distance is high, in contrast to countries with low power distance, members will prefer non-egalitarian and highly centralised decision-making in the organisational system. Members in high uncertainty avoidance cultures, compared to those in low uncertainty avoidance cultures, will need more built-in structures which offer some insurance in guarding oneself against the unknown future.

It will be useful to create motivational structures in the different cultures in ways that facilitate the integration of organisational members into the system. For example, job design, and reward systems should be congruent with the individualism-collectivism orientation. In individualistic cultures, jobs can be designed such that each individual is held responsible for getting his or her part of the job done and individually-based merit raises or bonus can be used as the reward system. In collectivistic cultures, autonomous work groups could handle the jobs to be accomplished and group-based reward systems can be designed. In cultures high on power distance, a tall structure with greater centralisation will be useful; in low power distance cultures, flatter and decentralised structures would work better. Cultures strong on uncertainty avoidance will need to resort to more planning and forecasting, more formalisation, and an excellent and quickly retrievable information system, whereas these will not be important for cultures weak on uncertainty avoidance. Thus, managers have to be sensitive and make sure that their structures and processes mesh with the cultural values of the people operating within the system. In effect, not only is the definition of OE contingent on the cultural values at the macro societal level, but the effectiveness of the throughput processes is also contingent on matching the structures with the cultural values of members at the micro organisational level. This suggests that managers should be keenly aware of the cultural tendencies operating in their country.

### **A Theory that Needs Empirical Validation**

India being just slightly more on the masculinity side of the masculinity-femininity dimension, OE would be assessed partly by the quality of life dimensions and partly by the monetary success dimensions with the latter having a marginally greater weightage. The components of OE criteria, their ranking, and the weights attached to individual factors can be established through a carefully selected sample of society members consisting of economists, politicians, consumers, government agencies, consumer protection groups, organisational members, entrepreneurs, shareholders, auditing agencies, and significant others.

The throughput processes or motivational structures to integrate the individual's goals with the organisational goals will be governed by the other three cultural dimensions. India is high on power distance, relatively low on uncertainty avoidance, and slightly leaning towards the collectivistic side of the individualism-collectivism dimension. Thus, a hierarchical structure with centralised decision-making would sit well with the organisational members. However, valuable inputs from members at lower levels might be compromised in this process. Also, the changing expectations of the younger generation will have to be accommodated as discussed later in this chapter. Goal accomplishment will not necessarily depend on evolving elaborate planning mechanisms or installing intricate information systems simply to reduce the



tensions arising out of uncertainty for the members. Job design can be geared to both individual and group-based activities. Reward systems can also be geared to both individual and group accomplishments. For instance, superior individual performances can be recognised with merit raises and when teams accomplish the group goals, group-based incentives (bonus plans) can be initiated. These are theories which need to be put to the empirical test for substantiation.

In sum, if behaviour is a function of the person and the environment, then managing organisational behaviour is a function of matching the individuals (with their own personalities and predispositions) to the nature of the jobs they perform and the structure in which they operate. The design of jobs and the structure of the organisation, is, as we have seen, a function of the fit among various factors such as the environment, technology, size, workflow patterns, and the culture in which the system is embedded. It is not difficult to see why management is such a complex and challenging process. The more managers synthesize the various concepts and theories with acute sensitivity to the particular forces that operate in the situation they find themselves in, the better they will be at managing the process and structural aspects of organisational behaviour to achieve organisational effectiveness.

## Future Trends and Issues in Management

Several evolving phenomena portend significant changes at the workplace in the future. These will shape the technology, structures, and management practices in organisation. Naisbitt (1982) highlighted various changes that the American society will see in the future — becoming an information-based (as opposed to an industrialised) society; witnessing a diversified group of people and institutions; decentralization in all kinds of organisations; a bottom-up, rather than a top-down approach to management; extensive computerised systems; and an increase in the need for greater interrelationships among people as technology gets more advanced. We, in India, will also be affected by many of the changes that are taking place globally, and these will call for a rethinking of our management practices.

## Management of the Psychology of Entitlement

The composition of the workforce is slowly, but surely, changing. Younger, more educated, and more ambitious men and women are now joining the labour force and this trend will continue. If these members are to be kept motivated and retained in the organisation as fully contributing human assets, they will have to be given more responsibility and freedom to perform their roles. Members of the younger generation have a tendency to feel that they can have a greater impact in increasing the effectiveness of the system than the preceding older group of employees, because of the education and training they have received. Their self-esteem and sense of competence are high and they need not be closely coached or supervised like their older counterparts. Hence, more egalitarian and less paternalistically oriented management styles will suit their need patterns. Yankelovich and Laskowitz (1982) referred to the “psychology of entitlement” of the American youth who expect better things in life and better treatment at the workplace as a matter of right. We may say the same for the young Indian men and women who have worked hard to get a good education. To harness their potential, our management practices will have to shift towards more decentralisation in the future and to pursue the bottom-up rather than the top-down approach to management.

## Managing Technological Change

A second trend that we should not overlook is that technological changes are shaking the world. The transmission of information via satellite, and the burgeoning of computers has revolutionized the lives of individuals and corporations all over the world. We cannot expect to advance, and still stand by, without making preparations to meet the new challenges. Our challenge lies in utilising our vast labour force to effectively interface with the newly evolving technology. Personal computers hooked to mainframes and suitable networking systems will make us more efficient without displacing labour. In-house information combined with easily accessible industry data provide the bases for good decision-making. When personal



computers (PCs) displace typewriters, IBM cards, and tons of paper, more people get involved with more sophisticated and less tedious systems of working. PCs will make a big difference to working wives, and many professionals such as accountants who can work just as efficiently at home as at the workplace with data stored on small, easy to carry disks rather than in bulky voluminous files. Let us also not forget that teleconferencing is going to revolutionise group decision-making processes. These, and other technological developments will catch up with us sooner or later, whether or not we want to be a part of the changes taking place. The issue to consider now is how we can deal with these changes effectively without trauma, maximising the advantages accruing to the workforce and to the institutions which can benefit by more up-to-date and effective systems.

### **Effective Utilisation of Minorities**

Scheduled caste, scheduled tribes, and women are entering the work force in larger numbers. Unless they are well trained, developed, and effectively used in higher level positions, the organisations will be worse off for it. Thus, organisations can no longer ignore the training and development of minority groups in organisations. Career paths have to be designed and made known to institutional members so that they can make the right preparation and choices that would best suit their intended life styles. Everyone has the right to be given the opportunity to advance, but it will have to be based on competence. The disadvantaged have to be particularly helped to become more competent through training and development. Mentoring systems will have to be effectively developed in this regard with rewards accruing to both the mentor and the protegee.

### **Union-Management Dynamics**

The present adversarial relationship between the union and management will have to yield place to collaborative problem solving relationships between the two. This is vital in view of the fast changes taking place all over the world in technology, in market operations, in the production systems, and in the way in which global competition is being handled. As the world gets smaller with rapid travel and information dissemination, no nation can stand by and watch helplessly as competition takes over. Modernisation of the workplace without labour displacement will be our primary concern for the future and creative strategies to tackle the issues cannot be evolved unless management and labour put their heads together and engage in cooperative problem solving.

### **Productivity: A Key Issue for the Future**

Hitherto, we have been paying lip service to the concept of productivity. The productivity of the Indian worker is low compared to other industrialised nations. The output of the worker is not keeping pace with the increase in wages. We have remained relatively complacent because we have a steady internal market and consumer resistance to high prices has been very little. However, we have started exporting many of our products to countries in the middle east and there are many opportunities for us to expand our markets if we can produce high quality products. Many import-export small business agencies can begin to thrive if they can assure timely deliveries and high quality goods. That there is infinite potential to export all kinds of goods is indisputable. As a matter of fact, *Forbes* (October 5, 1987, p. 190+) carried an article on how Sudha Pennathur gave up her \$ 150,000 a year job to design jewellery of Indian origin for the American market. Dealing directly with the Indian artisans, Pennathur avoids middlemen and a big share of her profits are shared with the Indian jewellery makers. Pranay Gupte who wrote the article stated that what the developing countries need is more Sudha Pennathurs and fewer socialist planning economists. We need more national and international entrepreneurs who can tap and utilise the resources we have to our benefit. The Indian worker, however, will have to be motivated to become more productive both in terms of quality and quantity. Unless top management develops a sense of urgency to change things in this regard, our National and Regional Productivity Councils will continue to remain ineffective. With more educated personnel in the work force, there is a need for more challenging assignments to be given to employees who



should also be provided greater freedom with accountability clearly pinpointed to them. Proper incentives should be carefully built into the reward system so that clear messages are given as to what constitutes good contributions. The system should also provide for negative reinforcement for poor work. Productivity is the bottom line for us if we are to make an impact as a nation to be reckoned with. This will also be in line with our slightly masculine cultural predispositions.

### Managing Ethics and Social Responsibility

One of the most difficult issues that organisations will have to confront in the future is the issue of ethics and social responsibility. There will have to be considerable soul searching and some tough steps taken to determine what ethical conduct means for organisations and their operations. So long as consumer goods are in short supply, installing a telephone, or constructing a building could be perceived as opportunities to make "black money". But when modern technology is made available easily and at very low costs in the coming decades, organisations will find themselves forced to go with the market mechanisms that operate. They will then be forced to evolve a code of conduct which will be conducive to socially responsive behaviours.

### Managing to Enhance the Quality of Life

For a long time, managers have concerned themselves about the issue of enhancing the quality of working life (QWL) for their employees. Ideas regarding job design, stress management, improving the organisational climate, and such, have been the offshoots of such concerns. Recently, however, there is a greater focus on the global overall quality of life, which comprises the quality of an individual's experiences both in the work and nonwork spheres of life. Recognising that there is a spillover of efficiency and effectiveness between the work and nonwork spheres, many institutions are now expending more resources in providing such facilities as creches and daycare centres at the workplace. With the increase in the number of dual career family members in organisations, more investments in childcare, family recreational facilities, and specially designed career paths will help organisations to reap rich dividends through greater employee productivity and a better overall quality of life in society. Though not yet a concern of any magnitude in our organisations, in the future, the overall quality of life in general for employees will engage the attention of organisations as more qualified women are willing to take on higher level responsibilities at the workplace.

### Summary

In this chapter we discussed the concept of organisational effectiveness taking an input-throughput-output approach to examining it. We also highlighted the role of culture in both how organisational effectiveness is defined and measured, and how it is achieved. We examined the throughput processes at various levels in the system and the skills required to manage the transformation processes at each of the levels. Finally, we discussed some of the future trends in society which would call for more skilled management practices.

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### Discussion Questions

1. What does organisational effectiveness mean? How would you assess the organisational effectiveness of a government organisation?
2. Specify some critical dimensions of culture that would influence how you design structures in organisations. What are the structural aspects that would be influenced by culture? Explain, giving examples, how culture would make a difference in designing structures.
3. Why and how would differences in organisational levels make a difference in the throughput processes. Describe this giving the example of an organisation you are familiar with.
4. Why have attempts at a universalistic definition of organisational effectiveness failed?



5. Do you agree with the author's tracing of future trends and issues in management? Give reasons for your answer.
  6. Having read this book, what are some of the concepts and theories you feel would be most useful to you?
  7. Do you think you would learn more about management through a process of trial and error when you become a manager? Explain your answer.
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## A Paper

You are required to write a paper addressing the following issues:

Now that you have gone through this O B book, conceptualise your role as a manager as comprehensively as you can, immediately on joining an organisation as a management trainee, and five, 10, and 15 years thereafter. Specify your designation, where, in the organisational hierarchy, you will be, and what would be the nature of your managerial roles and responsibilities. Also explain what kinds of skills and expertise you will be drawing upon most, at each stage, and in what ways you will have to supplement and enhance your knowledge and skills in management. It is important that you identify the mechanisms with which you will keep yourself out of obsolescence.



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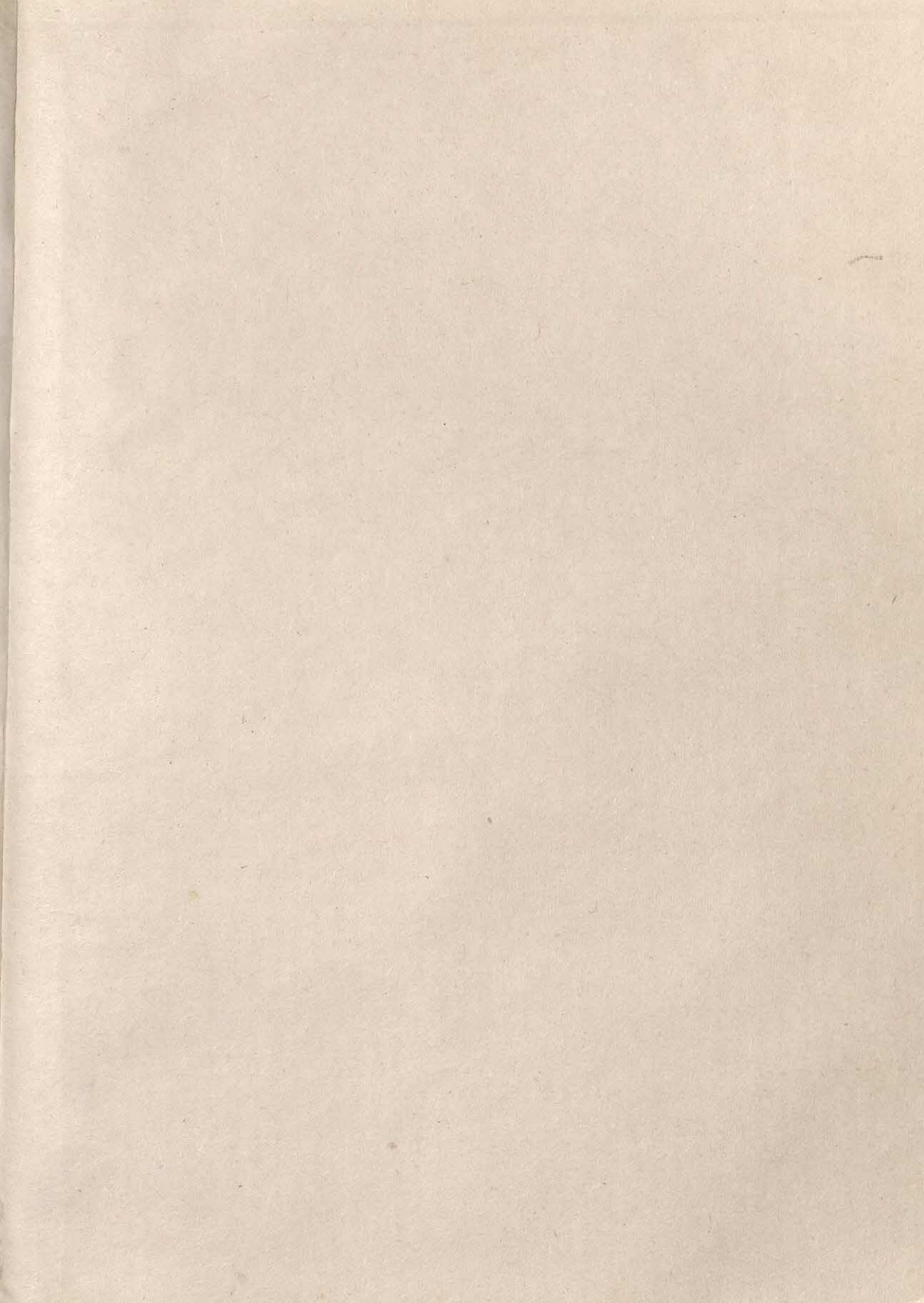


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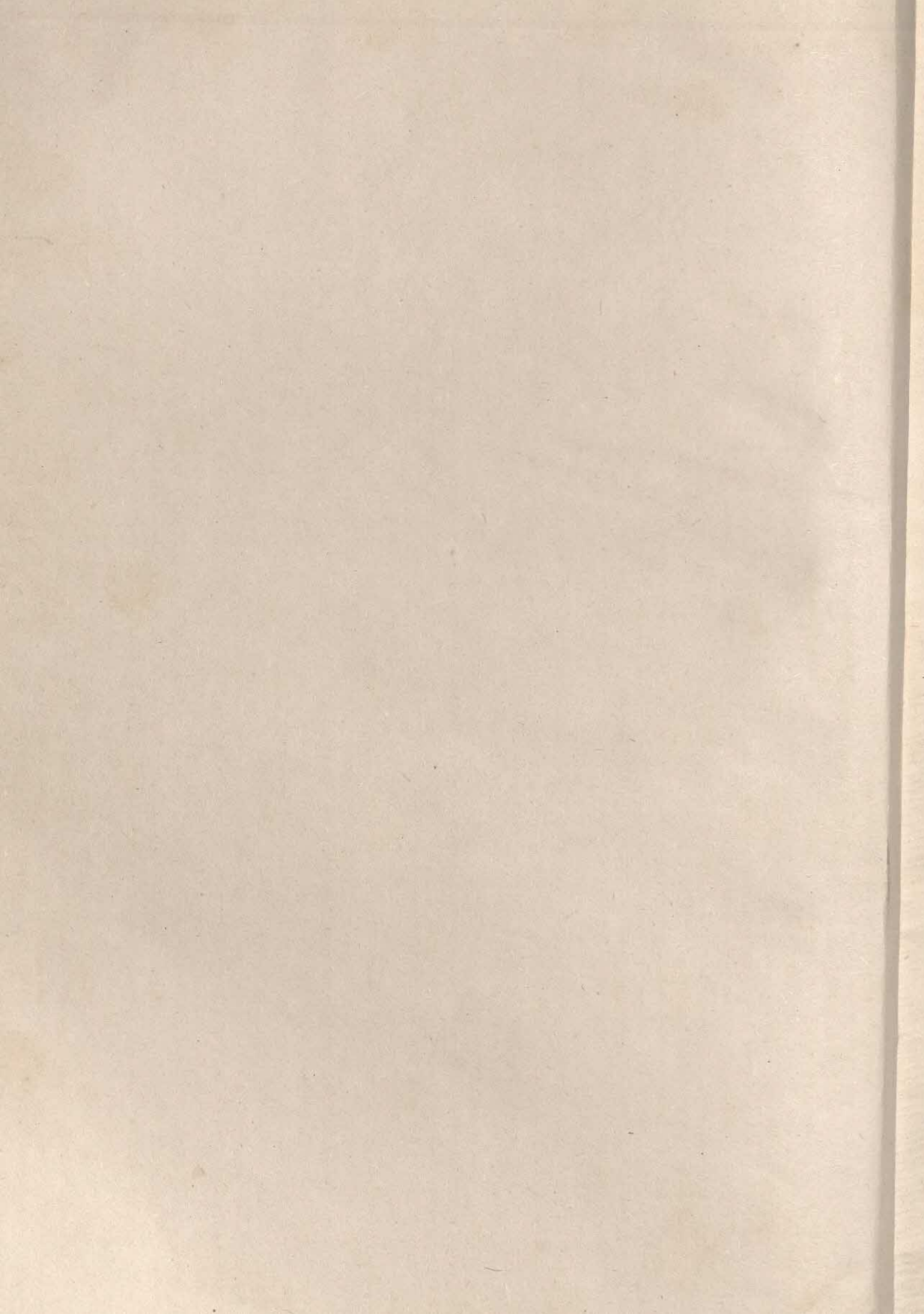


















## **ORGANISATIONAL BEHAVIOUR**

### **Text and Cases**

discusses scientific organisational behaviour theories in the Indian cultural setting. The motivational and leadership theories are discussed in the context of behavioural predispositions of organisational members in India.

The book meets the needs of postgraduate students of management and commerce and would also prove to be a useful reference to practising managers.

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